

In the Senate of the United States,

October 21, 1999.

Resolved, That the bill from the House of Representatives (H.R. 1180) entitled “An Act to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the*
3 *“Work Incentives Improvement Act of 1999”.*

4 (b) *TABLE OF CONTENTS*.—*The table of contents of this*
5 *Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

TITLE I—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

Sec. 101. Expanding State options under the medicaid program for workers with disabilities.

Sec. 102. Continuation of medicare coverage for working individuals with disabilities.

Sec. 103. Grants to develop and establish State infrastructures to support working individuals with disabilities.

Sec. 104. Demonstration of coverage under the medicaid program of workers with potentially severe disabilities.

Sec. 105. Election by disabled beneficiaries to suspend medigap insurance when covered under a group health plan.

TITLE II—TICKET TO WORK AND SELF-SUFFICIENCY AND RELATED PROVISIONS

Subtitle A—Ticket to Work and Self-Sufficiency

Sec. 201. Establishment of the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Elimination of Work Disincentives

Sec. 211. Work activity standard as a basis for review of an individual's disabled status.

Sec. 212. Expedited reinstatement of disability benefits.

Subtitle C—Work Incentives Planning, Assistance, and Outreach

Sec. 221. Work incentives outreach program.

Sec. 222. State grants for work incentives assistance to disabled beneficiaries.

TITLE III—DEMONSTRATION PROJECTS AND STUDIES

Sec. 301. Permanent extension of disability insurance program demonstration project authority.

Sec. 302. Demonstration projects providing for reductions in disability insurance benefits based on earnings.

Sec. 303. Studies and reports.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 401. Technical amendments relating to drug addicts and alcoholics.

Sec. 402. Treatment of prisoners.

Sec. 403. Revocation by members of the clergy of exemption from Social Security coverage.

Sec. 404. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

Sec. 405. Authorization for State to permit annual wage reports.

1 SEC. 2. FINDINGS AND PURPOSES.

2 (a) *FINDINGS.*—Congress makes the following findings:

3 (1) *Health care is important to all Americans.*

4 (2) *Health care is particularly important to in-*

5 *dividuals with disabilities and special health care*

6 *needs who often cannot afford the insurance available*

1 to them through the private market, are uninsurable
2 by the plans available in the private sector, and are
3 at great risk of incurring very high and economically
4 devastating health care costs.

5 (3) Americans with significant disabilities often
6 are unable to obtain health care insurance that pro-
7 vides coverage of the services and supports that enable
8 them to live independently and enter or rejoin the
9 workforce. Personal assistance services (such as at-
10 tendant services, personal assistance with transpor-
11 tation to and from work, reader services, job coaches,
12 and related assistance) remove many of the barriers
13 between significant disability and work. Coverage for
14 such services, as well as for prescription drugs, dura-
15 ble medical equipment, and basic health care are
16 powerful and proven tools for individuals with sig-
17 nificant disabilities to obtain and retain employment.

18 (4) For individuals with disabilities, the fear of
19 losing health care and related services is one of the
20 greatest barriers keeping the individuals from maxi-
21 mizing their employment, earning potential, and
22 independence.

23 (5) Individuals with disabilities who are bene-
24 ficiaries under title II or XVI of the Social Security
25 Act (42 U.S.C. 401 et seq., 1381 et seq.) risk losing

1 *medicare or medicaid coverage that is linked to their*
2 *cash benefits, a risk that is an equal, or greater, work*
3 *disincentive than the loss of cash benefits associated*
4 *with working.*

5 (6) *Currently, less than $\frac{1}{2}$ of 1 percent of social*
6 *security disability insurance and supplemental secu-*
7 *rity income beneficiaries cease to receive benefits as a*
8 *result of employment.*

9 (7) *Beneficiaries have cited the lack of adequate*
10 *employment training and placement services as an*
11 *additional barrier to employment.*

12 (8) *If an additional $\frac{1}{2}$ of 1 percent of the cur-*
13 *rent social security disability insurance (DI) and*
14 *supplemental security income (SSI) recipients were to*
15 *cease receiving benefits as a result of employment, the*
16 *savings to the Social Security Trust Funds in cash*
17 *assistance would total \$3,500,000,000 over the*
18 *worklife of the individuals.*

19 (b) *PURPOSES.—The purposes of this Act are as fol-*
20 *lows:*

21 (1) *To provide health care and employment*
22 *preparation and placement services to individuals*
23 *with disabilities that will enable those individuals to*
24 *reduce their dependency on cash benefit programs.*

1 (2) *To encourage States to adopt the option of*
 2 *allowing individuals with disabilities to purchase*
 3 *medicaid coverage that is necessary to enable such in-*
 4 *dividuals to maintain employment.*

5 (3) *To provide individuals with disabilities the*
 6 *option of maintaining medicare coverage while work-*
 7 *ing.*

8 (4) *To establish a return to work ticket program*
 9 *that will allow individuals with disabilities to seek*
 10 *the services necessary to obtain and retain employ-*
 11 *ment and reduce their dependency on cash benefit*
 12 *programs.*

13 ***TITLE I—EXPANDED AVAIL-***
 14 ***ABILITY OF HEALTH CARE***
 15 ***SERVICES***

16 ***SEC. 101. EXPANDING STATE OPTIONS UNDER THE MED-***
 17 ***ICAID PROGRAM FOR WORKERS WITH DIS-***
 18 ***ABILITIES.***

19 (a) *IN GENERAL.*—

20 (1) *STATE OPTION TO ELIMINATE INCOME, AS-*
 21 *SETS, AND RESOURCE LIMITATIONS FOR WORKERS*
 22 *WITH DISABILITIES BUYING INTO MEDICAID.*—*Section*
 23 *1902(a)(10)(A)(ii) of the Social Security Act (42*
 24 *U.S.C. 1396a(a)(10)(A)(ii)) is amended—*

1 (A) in subclause (XIII), by striking “or” at
2 the end;

3 (B) in subclause (XIV), by adding “or” at
4 the end; and

5 (C) by adding at the end the following:

6 “(XV) who, but for earnings in
7 excess of the limit established under
8 section 1905(q)(2)(B), would be consid-
9 ered to be receiving supplemental secu-
10 rity income, who is at least 16, but less
11 than 65, years of age, and whose assets,
12 resources, and earned or unearned in-
13 come (or both) do not exceed such limi-
14 tations (if any) as the State may es-
15 tablish;”.

16 (2) STATE OPTION TO PROVIDE OPPORTUNITY
17 FOR EMPLOYED INDIVIDUALS WITH A MEDICALLY IM-
18 PROVED DISABILITY TO BUY INTO MEDICAID.—

19 (A) ELIGIBILITY.—Section 1902(a)(10)
20 (A)(ii) of the Social Security Act (42 U.S.C.
21 1396a(a)(10)(A)(ii)), as amended by paragraph
22 (1), is amended—

23 (i) in subclause (XIV), by striking “or”
24 at the end;

1 (ii) in subclause (XV), by adding “or”
 2 at the end; and

3 (iii) by adding at the end the fol-
 4 lowing:

5 “(XVI) who are employed individ-
 6 uals with a medically improved dis-
 7 ability described in section 1905(v)(1)
 8 and whose assets, resources, and earned
 9 or unearned income (or both) do not
 10 exceed such limitations (if any) as the
 11 State may establish, but only if the
 12 State provides medical assistance to
 13 individuals described in subclause
 14 (XV);”.

15 (B) *DEFINITION OF EMPLOYED INDIVIDUALS*
 16 *WITH A MEDICALLY IMPROVED DISABILITY.*—Sec-
 17 tion 1905 of the Social Security Act (42 U.S.C.
 18 1396d) is amended by adding at the end the fol-
 19 lowing:

20 “(v)(1) The term ‘employed individual with a medi-
 21 cally improved disability’ means an individual who—

22 “(A) is at least 16, but less than 65, years of age;

23 “(B) is employed (as defined in paragraph (2));

24 “(C) ceases to be eligible for medical assistance

25 under section 1902(a)(10)(A)(ii)(XV) because the in-

dividual, by reason of medical improvement, is determined at the time of a regularly scheduled continuing disability review to no longer be eligible for benefits under section 223(d) or 1614(a)(3); and

“(D) continues to have a severe medically determinable impairment, as determined under regulations of the Secretary.

“(2) For purposes of paragraph (1), an individual is considered to be ‘employed’ if the individual—

“(A) is earning at least the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act (29 U.S.C. 206) and working at least 40 hours per month; or

“(B) is engaged in a work effort that meets substantial and reasonable threshold criteria for hours of work, wages, or other measures, as defined by the State and approved by the Secretary.”.

(C) CONFORMING AMENDMENT.—Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(i) in clause (x), by striking “or” at the end;

(ii) in clause (xi), by adding “or” at the end; and

1 (iii) by inserting after clause (xi), the
2 following:

3 “(xii) employed individuals with a medically
4 improved disability (as defined in subsection (v)),”.

5 (3) STATE AUTHORITY TO IMPOSE INCOME-RE-
6 LATED PREMIUMS AND COST-SHARING.—Section 1916
7 of such Act (42 U.S.C. 1396o) is amended—

8 (A) in subsection (a), by striking “The
9 State plan” and inserting “Subject to subsection
10 (g), the State plan”; and

11 (B) by adding at the end the following:

12 “(g) With respect to individuals provided medical as-
13 sistance only under subclause (XV) or (XVI) of section
14 1902(a)(10)(A)(i)—

15 “(1) a State may (in a uniform manner for in-
16 dividuals described in either such subclause)—

17 “(A) require such individuals to pay pre-
18 miums or other cost-sharing charges set on a
19 sliding scale based on income that the State may
20 determine; and

21 “(B) require payment of 100 percent of such
22 premiums for such year in the case of such an
23 individual who has income for a year that ex-
24 ceeds 250 percent of the income official poverty
25 line (referred to in subsection (c)(1)) applicable

1 to a family of the size involved, except that in
2 the case of such an individual who has income
3 for a year that does not exceed 450 percent of
4 such poverty line, such requirement may only
5 apply to the extent such premiums do not exceed
6 7.5 percent of such income; and

7 “(2) such State shall require payment of 100
8 percent of such premiums for a year by such an indi-
9 vidual whose adjusted gross income (as defined in sec-
10 tion 62 of the Internal Revenue Code of 1986) for
11 such year exceeds \$75,000, except that a State may
12 choose to subsidize such premiums by using State
13 funds which may not be federally matched under this
14 title.

15 In the case of any calendar year beginning after 2000, the
16 dollar amount specified in paragraph (2) shall be increased
17 in accordance with the provisions of section
18 215(i)(2)(A)(ii).”.

19 (4) *PROHIBITION AGAINST SUPPLANTATION OF*
20 *STATE FUNDS AND STATE FAILURE TO MAINTAIN EF-*
21 *FORT.*—Section 1903(i) of such Act (42 U.S.C.
22 1396b(i)) is amended—

23 (A) by striking the period at the end of
24 paragraph (18) and inserting “; or”; and

1 (B) by inserting after such paragraph the
2 following:

3 “(19) with respect to amounts expended for med-
4 ical assistance provided to an individual described in
5 subclause (XV) or (XVI) of section 1902(a)(10)(A)(ii)
6 for a fiscal year unless the State demonstrates to the
7 satisfaction of the Secretary that the level of State
8 funds expended for such fiscal year for programs to
9 enable working individuals with disabilities to work
10 (other than for such medical assistance) is not less
11 than the level expended for such programs during the
12 most recent State fiscal year ending before the date of
13 enactment of this paragraph.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 1903(f)(4) of the Social Security Act
16 (42 U.S.C. 1396b(f)(4) is amended in the matter pre-
17 ceding subparagraph (A) by inserting
18 “1902(a)(10)(A)(ii)(XV), 1902(a)(10)(A)(ii)(XVI)”
19 after “1902(a)(10)(A)(ii)(X),”.

20 (2) Section 1903(f)(4) of such Act, as amended
21 by paragraph (1), is amended by inserting
22 “1902(a)(10)(A)(ii)(XIII),” before
23 “1902(a)(10)(A)(ii)(XV)”.

24 (c) GAO REPORT.—Not later than 3 years after the
25 date of the enactment of this Act, the Comptroller General

1 *of the United States shall submit a report to Congress re-*
2 *garding the amendments made by this section that*
3 *examines—*

4 *(1) the extent to which higher health care costs*
5 *for individuals with disabilities at higher income lev-*
6 *els deter employment or progress in employment;*

7 *(2) whether such individuals have health insur-*
8 *ance coverage or could benefit from the State option*
9 *established under such amendments to provide a med-*
10 *icaid buy-in; and*

11 *(3) how the States are exercising such option,*
12 *including—*

13 *(A) how such States are exercising the flexi-*
14 *bility afforded them with regard to income dis-*
15 *regards;*

16 *(B) what income and premium levels have*
17 *been set;*

18 *(C) the degree to which States are sub-*
19 *sidizing premiums above the dollar amount spec-*
20 *ified in section 1916(g)(2) of the Social Security*
21 *Act (42 U.S.C. 1396o(g)(2)); and*

22 *(D) the extent to which there exists any*
23 *crowd-out effect.*

24 *(d) EFFECTIVE DATE.—*

1 (1) *IN GENERAL.*—*Except as provided in para-*
 2 *graph (2), the amendments made by this section*
 3 *apply to medical assistance for items and services*
 4 *furnished on or after October 1, 1999.*

5 (2) *RETROACTIVITY OF CONFORMING AMEND-*
 6 *MENT.*—*The amendment made by subsection (b)(2)*
 7 *takes effect as if included in the enactment of the Bal-*
 8 *anced Budget Act of 1997.*

9 **SEC. 102. CONTINUATION OF MEDICARE COVERAGE FOR**
 10 **WORKING INDIVIDUALS WITH DISABILITIES.**

11 (a) *CONTINUATION OF COVERAGE.*—

12 (1) *IN GENERAL.*—*Section 226 of the Social Se-*
 13 *curity Act (42 U.S.C. 426) is amended—*

14 (A) *in the third sentence of subsection (b),*
 15 *by inserting “, except as provided in subsection*
 16 *(j)” after “but not in excess of 24 such months”;*
 17 *and*

18 (B) *by adding at the end the following:*

19 “(j) *The 24-month limitation on deemed entitlement*
 20 *under the third sentence of subsection (b) shall not apply—*

21 “(1) *for months occurring during the 6-year pe-*
 22 *riod beginning with the first month that begins after*
 23 *the date of enactment of this subsection; and*

24 “(2) *for subsequent months, in the case of an in-*
 25 *dividual who was entitled to benefits under subsection*

1 (b) *as of the last month of such 6-year period and*
 2 *would continue (but for such 24-month limitation) to*
 3 *be so entitled.”.*

4 (2) CONFORMING AMENDMENT.—Section
 5 1818A(a)(2)(C) of the Social Security Act (42 U.S.C.
 6 1395i–2a(a)(2)(C)) is amended—

7 (A) by striking “solely”; and

8 (B) by inserting “or the expiration of the
 9 last month of the 6-year period described in sec-
 10 tion 226(j)” before the semicolon.

11 (b) GAO REPORT.—Not later than 4 years after the
 12 date of the enactment of this Act, the Comptroller General
 13 of the United States shall submit a report to Congress
 14 that—

15 (1) examines the effectiveness and cost of sub-
 16 section (j) of section 226 of the Social Security Act
 17 (42 U.S.C. 426);

18 (2) examines the necessity and effectiveness of
 19 providing the continuation of medicare coverage
 20 under that subsection to individuals whose annual in-
 21 come exceeds the contribution and benefit base (as de-
 22 termined under section 230 of the Social Security
 23 Act);

24 (3) examines the viability of providing the con-
 25 tinuation of medicare coverage under that subsection

1 *based on a sliding scale premium for individuals*
 2 *whose annual income exceeds such contribution and*
 3 *benefit base;*

4 *(4) examines the interrelation between the use of*
 5 *the continuation of medicare coverage under that sub-*
 6 *section and the use of private health insurance cov-*
 7 *erage by individuals during the 6-year period; and*

8 *(5) recommends whether that subsection should*
 9 *continue to be applied beyond the 6-year period de-*
 10 *scribed in the subsection.*

11 *(c) EFFECTIVE DATE.—The amendments made by sub-*
 12 *section (a) apply to months beginning with the first month*
 13 *that begins after the date of the enactment of this Act.*

14 *(d) TREATMENT OF CERTAIN INDIVIDUALS.—An indi-*
 15 *vidual enrolled under section 1818A of the Social Security*
 16 *Act (42 U.S.C. 1395i–2a) shall be treated with respect to*
 17 *premium payment obligations under such section as though*
 18 *the individual had continued to be entitled to benefits under*
 19 *section 226(b) of such Act for—*

20 *(1) months described in section 226(j)(1) of such*
 21 *Act (42 U.S.C. 426(j)(1)) (as added by subsection*
 22 *(a)); and*

23 *(2) subsequent months, in the case of an indi-*
 24 *vidual who was so enrolled as of the last month de-*

1 scribed in section 226(j)(2) of such Act (42 U.S.C.
2 426(j)(2)) (as so added).

3 **SEC. 103. GRANTS TO DEVELOP AND ESTABLISH STATE IN-**
4 **FRASTRUCTURES TO SUPPORT WORKING IN-**
5 **DIVIDUALS WITH DISABILITIES.**

6 (a) *ESTABLISHMENT.*—

7 (1) *IN GENERAL.*—*The Secretary of Health and*
8 *Human Services (in this section referred to as the*
9 *“Secretary”) shall award grants described in sub-*
10 *section (b) to States to support the design, establish-*
11 *ment, and operation of State infrastructures that pro-*
12 *vide items and services to support working individ-*
13 *uals with disabilities.*

14 (2) *APPLICATION.*—*In order to be eligible for an*
15 *award of a grant under this section, a State shall*
16 *submit an application to the Secretary at such time,*
17 *in such manner, and containing such information as*
18 *the Secretary shall require.*

19 (3) *DEFINITION OF STATE.*—*In this section, the*
20 *term “State” means each of the 50 States, the District*
21 *of Columbia, Puerto Rico, Guam, the United States*
22 *Virgin Islands, American Samoa, and the Common-*
23 *wealth of the Northern Mariana Islands.*

24 (b) *GRANTS FOR INFRASTRUCTURE AND OUTREACH.*—

1 (1) *IN GENERAL.*—*Out of the funds appropriated*
 2 *under subsection (e), the Secretary shall award grants*
 3 *to States to—*

4 (A) *support the establishment, implementa-*
 5 *tion, and operation of the State infrastructures*
 6 *described in subsection (a); and*

7 (B) *conduct outreach campaigns regarding*
 8 *the existence of such infrastructures.*

9 (2) *ELIGIBILITY FOR GRANTS.*—

10 (A) *IN GENERAL.*—*No State may receive a*
 11 *grant under this subsection unless the State—*

12 (i) *has an approved amendment to the*
 13 *State plan under title XIX of the Social Se-*
 14 *curity Act (42 U.S.C. 1396 et seq.) that pro-*
 15 *vides medical assistance under such plan to*
 16 *individuals described in section*
 17 *1902(a)(10)(A)(ii)(XV) of the Social Secu-*
 18 *rity Act (42 U.S.C.*
 19 *1396a(a)(10)(A)(ii)(XV)); and*

20 (ii) *demonstrates to the satisfaction of*
 21 *the Secretary that the State makes personal*
 22 *assistance services available under the State*
 23 *plan under title XIX of the Social Security*
 24 *Act (42 U.S.C. 1396 et seq.) to the extent*
 25 *necessary to enable individuals described in*

1 *clause (i) to remain employed (as deter-*
 2 *mined under section 1905(v)(2) of the So-*
 3 *cial Security Act (42 U.S.C. 1396d(v)(2))).*

4 *(B) DEFINITION OF PERSONAL ASSISTANCE*
 5 *SERVICES.—In this paragraph, the term “per-*
 6 *sonal assistance services” means a range of serv-*
 7 *ices, provided by 1 or more persons, designed to*
 8 *assist an individual with a disability to perform*
 9 *daily activities on and off the job that the indi-*
 10 *vidual would typically perform if the individual*
 11 *did not have a disability. Such services shall be*
 12 *designed to increase the individual’s control in*
 13 *life and ability to perform everyday activities on*
 14 *or off the job.*

15 *(3) DETERMINATION OF AWARDS.—*

16 *(A) IN GENERAL.—Subject to subparagraph*
 17 *(B), the Secretary shall determine a formula for*
 18 *awarding grants to States under this section that*
 19 *provides special consideration to States that pro-*
 20 *vide medical assistance under title XIX of the*
 21 *Social Security Act to individuals described in*
 22 *section 1902(a)(10)(A)(ii)(XVI) of that Act (42*
 23 *U.S.C. 1396a(a)(10)(A)(ii)(XVI)).*

24 *(B) AWARD LIMITS.—*

25 *(i) MINIMUM AWARDS.—*

1 (I) *IN GENERAL.*—Subject to sub-
2 clause (II), no State with an approved
3 application under this section shall re-
4 ceive a grant for a fiscal year that is
5 less than \$500,000.

6 (II) *PRO RATA REDUCTIONS.*—If
7 the funds appropriated under sub-
8 section (e) for a fiscal year are not suf-
9 ficient to pay each State with an ap-
10 plication approved under this section
11 the minimum amount described in
12 subclause (I), the Secretary shall pay
13 each such State an amount equal to the
14 pro rata share of the amount made
15 available.

16 (ii) *MAXIMUM AWARDS.*—No State
17 with an application that has been approved
18 under this section shall receive a grant for
19 a fiscal year that exceeds 15 percent of the
20 total expenditures by the State (including
21 the reimbursed Federal share of such ex-
22 penditures) for medical assistance for indi-
23 viduals eligible under subclause (XV) and
24 (XVI) of section 1902(a)(10)(A)(ii) of the
25 Social Security Act (42 U.S.C.

1 1396a(a)(10)(A)(ii)), as estimated by the
2 State and approved by the Secretary.

3 (c) *AVAILABILITY OF FUNDS.*—

4 (1) *FUNDS AWARDED TO STATES.*—*Funds*
5 *awarded to a State under a grant made under this*
6 *section for a fiscal year shall remain available until*
7 *expended.*

8 (2) *FUNDS NOT AWARDED TO STATES.*—*Funds*
9 *not awarded to States in the fiscal year for which*
10 *they are appropriated shall remain available in suc-*
11 *ceeding fiscal years for awarding by the Secretary.*

12 (d) *ANNUAL REPORT.*—*A State that is awarded a*
13 *grant under this section shall submit an annual report to*
14 *the Secretary on the use of funds provided under the grant.*
15 *Each report shall include the percentage increase in the*
16 *number of title II disability beneficiaries, as defined in sec-*
17 *tion 1148(k)(3) of the Social Security Act (as amended by*
18 *section 201) in the State, and title XVI disability bene-*
19 *ficiaries, as defined in section 1148(k)(4) of the Social Secu-*
20 *rity Act (as so amended) in the State who return to work.*

21 (e) *APPROPRIATION.*—

22 (1) *IN GENERAL.*—*Out of any funds in the*
23 *Treasury not otherwise appropriated, there is appro-*
24 *priated to make grants under this section—*

25 (A) *for fiscal year 2000, \$20,000,000;*

1 (B) for fiscal year 2001, \$25,000,000;
2 (C) for fiscal year 2002, \$30,000,000;
3 (D) for fiscal year 2003, \$35,000,000;
4 (E) for fiscal year 2004, \$40,000,000; and
5 (F) for each of fiscal years 2005 through
6 2010, the amount appropriated for the preceding
7 fiscal year increased by the percentage increase
8 (if any) in the Consumer Price Index for All
9 Urban Consumers (United States city average)
10 for the preceding fiscal year.

11 (2) *BUDGET AUTHORITY.*—*This subsection con-*
12 *stitutes budget authority in advance of appropri-*
13 *ations Acts and represents the obligation of the Federal*
14 *Government to provide for the payment of the*
15 *amounts appropriated under paragraph (1).*

16 (f) *RECOMMENDATION.*—*Not later than October 1,*
17 *2009, the Secretary, in consultation with the Work Incen-*
18 *tives Advisory Panel established under section 201(f), shall*
19 *submit a recommendation to the Committee on Commerce*
20 *of the House of Representatives and the Committee on Fi-*
21 *nance of the Senate regarding whether the grant program*
22 *established under this section should be continued after fis-*
23 *cal year 2010.*

1 **SEC. 104. DEMONSTRATION OF COVERAGE UNDER THE**
 2 **MEDICAID PROGRAM OF WORKERS WITH PO-**
 3 **TENTIALLY SEVERE DISABILITIES.**

4 (a) *STATE APPLICATION.*—A State may apply to the
 5 Secretary of Health and Human Services (in this section
 6 referred to as the “Secretary”) for approval of a demonstra-
 7 tion project (in this section referred to as a “demonstration
 8 project”) under which up to a specified maximum number
 9 of individuals who are workers with a potentially severe
 10 disability (as defined in subsection (b)(1)) are provided
 11 medical assistance equal to that provided under section
 12 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))
 13 to individuals described in section 1902(a)(10)(A)(ii)(XV)
 14 of that Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).

15 (b) *WORKER WITH A POTENTIALLY SEVERE DIS-*
 16 *ABILITY DEFINED.*—For purposes of this section—

17 (1) *IN GENERAL.*—The term “worker with a po-
 18 tentially severe disability” means, with respect to a
 19 demonstration project, an individual who—

20 (A) is at least 16, but less than 65, years
 21 of age;

22 (B) has a specific physical or mental im-
 23 pairment that, as defined by the State under the
 24 demonstration project, is reasonably expected,
 25 but for the receipt of items and services described
 26 in section 1905(a) of the Social Security Act (42

1 *U.S.C. 1396d(a)), to become blind or disabled (as*
 2 *defined under section 1614(a) of the Social Secu-*
 3 *rity Act (42 U.S.C. 1382c(a)); and*

4 *(C) is employed (as defined in paragraph*
 5 *(2)).*

6 *(2) DEFINITION OF EMPLOYED.—An individual*
 7 *is considered to be “employed” if the individual—*

8 *(A) is earning at least the applicable min-*
 9 *imum wage requirement under section 6 of the*
 10 *Fair Labor Standards Act (29 U.S.C. 206) and*
 11 *working at least 40 hours per month; or*

12 *(B) is engaged in a work effort that meets*
 13 *substantial and reasonable threshold criteria for*
 14 *hours of work, wages, or other measures, as de-*
 15 *finied under the demonstration project and ap-*
 16 *proved by the Secretary.*

17 *(c) APPROVAL OF DEMONSTRATION PROJECTS.—*

18 *(1) IN GENERAL.—Subject to paragraph (3), the*
 19 *Secretary shall approve applications under subsection*
 20 *(a) that meet the requirements of paragraph (2) and*
 21 *such additional terms and conditions as the Secretary*
 22 *may require. The Secretary may waive the require-*
 23 *ment of section 1902(a)(1) of the Social Security Act*
 24 *(42 U.S.C. 1396a(a)(1)) to allow for sub-State dem-*
 25 *onstrations.*

1 (2) *TERMS AND CONDITIONS OF DEMONSTRATION*
 2 *PROJECTS.*—*The Secretary may not approve a dem-*
 3 *onstration project under this section unless the State*
 4 *provides assurances satisfactory to the Secretary that*
 5 *the following conditions are or will be met:*

6 (A) *ELECTION OF OPTIONAL CATEGORY.*—
 7 *The State has elected to provide coverage under*
 8 *its plan under title XIX of the Social Security*
 9 *Act of individuals described in section*
 10 *1902(a)(10)(A)(ii)(XV) of the Social Security*
 11 *Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).*

12 (B) *MAINTENANCE OF STATE EFFORT.*—
 13 *Federal funds paid to a State pursuant to this*
 14 *section must be used to supplement, but not sup-*
 15 *plant, the level of State funds expended for work-*
 16 *ers with potentially severe disabilities under pro-*
 17 *grams in effect for such individuals at the time*
 18 *the demonstration project is approved under this*
 19 *section.*

20 (C) *INDEPENDENT EVALUATION.*—*The State*
 21 *provides for an independent evaluation of the*
 22 *project.*

23 (3) *LIMITATIONS ON FEDERAL FUNDING.*—

24 (A) *APPROPRIATION.*—

1 (i) *IN GENERAL.*—*Out of any funds in*
2 *the Treasury not otherwise appropriated,*
3 *there is appropriated to carry out this*
4 *section—*

5 (I) *for fiscal year 2000,*
6 *\$72,000,000;*

7 (II) *for fiscal year 2001,*
8 *\$74,000,000;*

9 (III) *for fiscal year 2002,*
10 *\$78,000,000; and*

11 (IV) *for fiscal year 2003,*
12 *\$81,000,000.*

13 (ii) *BUDGET AUTHORITY.*—*Clause (i)*
14 *constitutes budget authority in advance of*
15 *appropriations Acts and represents the obli-*
16 *gation of the Federal Government to provide*
17 *for the payment of the amounts appro-*
18 *priated under clause (i).*

19 (B) *LIMITATION ON PAYMENTS.*—*In no case*
20 *may—*

21 (i) *except as provided in clause (ii),*
22 *the aggregate amount of payments made by*
23 *the Secretary to States under this section*
24 *exceed \$300,000,000;*

1 (ii) the aggregate amount of payments
2 made by the Secretary to States for admin-
3 istrative expenses relating to annual reports
4 required under subsection (d) exceed
5 \$5,000,000; or

6 (iii) payments be provided by the Sec-
7 retary for a fiscal year after fiscal year
8 2005.

9 (C) FUNDS ALLOCATED TO STATES.—The
10 Secretary shall allocate funds to States based on
11 their applications and the availability of funds.
12 Funds allocated to a State under a grant made
13 under this section for a fiscal year shall remain
14 available until expended.

15 (D) FUNDS NOT ALLOCATED TO STATES.—
16 Funds not allocated to States in the fiscal year
17 for which they are appropriated shall remain
18 available in succeeding fiscal years for allocation
19 by the Secretary using the allocation formula es-
20 tablished under this section.

21 (E) PAYMENTS TO STATES.—The Secretary
22 shall pay to each State with a demonstration
23 project approved under this section, from its al-
24 location under subparagraph (C), an amount for
25 each quarter equal to the Federal medical assist-

1 *ance percentage (as defined in section 1905(b) of*
2 *the Social Security Act (42 U.S.C. 1395d(b)) of*
3 *expenditures in the quarter for medical assist-*
4 *ance provided to workers with a potentially se-*
5 *vere disability.*

6 *(d) ANNUAL REPORT.—A State with a demonstration*
7 *project approved under this section shall submit an annual*
8 *report to the Secretary on the use of funds provided under*
9 *the grant. Each report shall include enrollment and finan-*
10 *cial statistics on—*

11 *(1) the total population of workers with poten-*
12 *tially severe disabilities served by the demonstration*
13 *project; and*

14 *(2) each population of such workers with a spe-*
15 *cific physical or mental impairment described in sub-*
16 *section (b)(1)(B) served by such project.*

17 *(e) RECOMMENDATION.—Not later than October 1,*
18 *2002, the Secretary shall submit a recommendation to the*
19 *Committee on Commerce of the House of Representatives*
20 *and the Committee on Finance of the Senate regarding*
21 *whether the demonstration project established under this*
22 *section should be continued after fiscal year 2003.*

23 *(f) STATE DEFINED.—In this section, the term “State”*
24 *has the meaning given such term for purposes of title XIX*
25 *of the Social Security Act (42 U.S.C. 1396 et seq.).*

1 **SEC. 105. ELECTION BY DISABLED BENEFICIARIES TO SUS-**
 2 **PEND MEDIGAP INSURANCE WHEN COVERED**
 3 **UNDER A GROUP HEALTH PLAN.**

4 (a) *IN GENERAL.*—Section 1882(q) of the Social Secu-
 5 rity Act (42 U.S.C. 1395ss(q)) is amended—

6 (1) in paragraph (5)(C), by inserting “or para-
 7 graph (6)” after “this paragraph”; and

8 (2) by adding at the end the following new para-
 9 graph:

10 “(6) Each medicare supplemental policy shall
 11 provide that benefits and premiums under the policy
 12 shall be suspended at the request of the policyholder
 13 if the policyholder is entitled to benefits under section
 14 226(b) and is covered under a group health plan (as
 15 defined in section 1862(b)(1)(A)(v)). If such suspen-
 16 sion occurs and if the policyholder or certificate hold-
 17 er loses coverage under the group health plan, such
 18 policy shall be automatically reinstituted (effective as
 19 of the date of such loss of coverage) under terms de-
 20 scribed in subsection (n)(6)(A)(ii) as of the loss of
 21 such coverage if the policyholder provides notice of
 22 loss of such coverage within 90 days after the date of
 23 such loss.”.

24 (b) *EFFECTIVE DATE.*—The amendments made by sub-
 25 section (a) apply with respect to requests made after the
 26 date of the enactment of this Act.

1 **TITLE II—TICKET TO WORK AND**
 2 **SELF-SUFFICIENCY AND RE-**
 3 **LATED PROVISIONS**

4 **Subtitle A—Ticket to Work and**
 5 **Self-Sufficiency**

6 **SEC. 201. ESTABLISHMENT OF THE TICKET TO WORK AND**
 7 **SELF-SUFFICIENCY PROGRAM.**

8 (a) *IN GENERAL.*—Part A of title XI of the Social Se-
 9 curity Act (42 U.S.C. 1301 et seq.) is amended by adding
 10 after section 1147 (as added by section 8 of the Noncitizen
 11 Benefit Clarification and Other Technical Amendments Act
 12 of 1998 (Public Law 105–306; 112 Stat. 2928)) the fol-
 13 lowing:

14 “TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM

15 “SEC. 1148. (a) *IN GENERAL.*—The Commissioner
 16 shall establish a Ticket to Work and Self-Sufficiency Pro-
 17 gram, under which a disabled beneficiary may use a ticket
 18 to work and self-sufficiency issued by the Commissioner in
 19 accordance with this section to obtain employment services,
 20 vocational rehabilitation services, or other support services
 21 from an employment network which is of the beneficiary’s
 22 choice and which is willing to provide such services to the
 23 beneficiary.

24 “(b) *TICKET SYSTEM.*—

1 “(1) *DISTRIBUTION OF TICKETS.*—*The Commis-*
2 *sioner may issue a ticket to work and self-sufficiency*
3 *to disabled beneficiaries for participation in the Pro-*
4 *gram.*

5 “(2) *ASSIGNMENT OF TICKETS.*—*A disabled ben-*
6 *eficiary holding a ticket to work and self-sufficiency*
7 *may assign the ticket to any employment network of*
8 *the beneficiary’s choice which is serving under the*
9 *Program and is willing to accept the assignment.*

10 “(3) *TICKET TERMS.*—*A ticket issued under*
11 *paragraph (1) shall consist of a document which evi-*
12 *dences the Commissioner’s agreement to pay (as pro-*
13 *vided in paragraph (4)) an employment network,*
14 *which is serving under the Program and to which*
15 *such ticket is assigned by the beneficiary, for such em-*
16 *ployment services, vocational rehabilitation services,*
17 *and other support services as the employment network*
18 *may provide to the beneficiary.*

19 “(4) *PAYMENTS TO EMPLOYMENT NETWORKS.*—
20 *The Commissioner shall pay an employment network*
21 *under the Program in accordance with the outcome*
22 *payment system under subsection (h)(2) or under the*
23 *outcome-milestone payment system under subsection*
24 *(h)(3) (whichever is elected pursuant to subsection*
25 *(h)(1)). An employment network may not request or*

1 *receive compensation for such services from the bene-*
 2 *ficiary.*

3 “(c) *STATE PARTICIPATION.*—

4 “(1) *IN GENERAL.*—*Each State agency admin-*
 5 *istering or supervising the administration of the*
 6 *State plan approved under title I of the Rehabilita-*
 7 *tion Act of 1973 may elect to participate in the Pro-*
 8 *gram as an employment network with respect to a*
 9 *disabled beneficiary. If the State agency does elect to*
 10 *participate in the Program, the State agency also*
 11 *shall elect to be paid under the outcome payment sys-*
 12 *tem or the outcome-milestone payment system in ac-*
 13 *cordance with subsection (h)(1). With respect to a dis-*
 14 *abled beneficiary that the State agency does not elect*
 15 *to have participate in the Program, the State agency*
 16 *shall be paid for services provided to that beneficiary*
 17 *under the system for payment applicable under sec-*
 18 *tion 222(d) and subsections (d) and (e) of section*
 19 *1615. The Commissioner shall provide for periodic*
 20 *opportunities for exercising such elections (and rev-*
 21 *ocations).*

22 “(2) *EFFECT OF PARTICIPATION BY STATE AGEN-*
 23 *CY.*—

24 “(A) *STATE AGENCIES PARTICIPATING.*—*In*
 25 *any case in which a State agency described in*

paragraph (1) elects under that paragraph to participate in the Program, the employment services, vocational rehabilitation services, and other support services which, upon assignment of tickets to work and self-sufficiency, are provided to disabled beneficiaries by the State agency acting as an employment network shall be governed by plans for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973.

“(B) STATE AGENCIES ADMINISTERING MATERNAL AND CHILD HEALTH SERVICES PROGRAMS.—Subparagraph (A) shall not apply with respect to any State agency administering a program under title V of this Act.

“(3) SPECIAL REQUIREMENTS APPLICABLE TO CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—

“(A) IN GENERAL.—In any case in which an employment network has been assigned a ticket to work and self-sufficiency by a disabled beneficiary, no State agency shall be deemed required, under this section, title I of the Workforce Investment Act of 1998, title I of the Rehabilitation Act of 1973, or a State plan approved under such title, to accept any referral of such disabled

1 *beneficiary from such employment network un-*
2 *less such employment network and such State*
3 *agency have entered into a written agreement*
4 *that meets the requirements of subparagraph (B).*
5 *Any beneficiary who has assigned a ticket to*
6 *work and self-sufficiency to an employment net-*
7 *work that has not entered into such a written*
8 *agreement with such a State agency may not ac-*
9 *cess vocational rehabilitation services under title*
10 *I of the Rehabilitation Act of 1973 until such*
11 *time as the beneficiary is reassigned to a State*
12 *vocational rehabilitation agency by the Program*
13 *Manager.*

14 “(B) *TERMS OF AGREEMENT.*—*An agree-*
15 *ment required by subparagraph (A) shall specify,*
16 *in accordance with regulations prescribed pursu-*
17 *ant to subparagraph (C)—*

18 “(i) *the extent (if any) to which the*
19 *employment network holding the ticket will*
20 *provide to the State agency—*

21 “(I) *reimbursement for costs in-*
22 *curring in providing services described*
23 *in subparagraph (A) to the disabled*
24 *beneficiary; and*

1 “(II) other amounts from pay-
 2 ments made by the Commissioner to
 3 the employment network pursuant to
 4 subsection (h); and

5 “(ii) any other conditions that may be
 6 required by such regulations.

7 “(C) *REGULATIONS.*—The Commissioner
 8 and the Secretary of Education shall jointly pre-
 9 scribe regulations specifying the terms of agree-
 10 ments required by subparagraph (A) and other-
 11 wise necessary to carry out the provisions of this
 12 paragraph.

13 “(D) *PENALTY.*—No payment may be made
 14 to an employment network pursuant to sub-
 15 section (h) in connection with services provided
 16 to any disabled beneficiary if such employment
 17 network makes referrals described in subpara-
 18 graph (A) in violation of the terms of the agree-
 19 ment required under subparagraph (A) or with-
 20 out having entered into such an agreement.

21 “(d) *RESPONSIBILITIES OF THE COMMISSIONER.*—

22 “(1) *SELECTION AND QUALIFICATIONS OF PRO-*
 23 *GRAM MANAGERS.*—The Commissioner shall enter into
 24 agreements with 1 or more organizations in the pri-
 25 vate or public sector for service as a program man-

1 *ager to assist the Commissioner in administering the*
 2 *Program. Any such program manager shall be se-*
 3 *lected by means of a competitive bidding process,*
 4 *from among organizations in the private or public*
 5 *sector with available expertise and experience in the*
 6 *field of vocational rehabilitation and employment*
 7 *services.*

8 *“(2) TENURE, RENEWAL, AND EARLY TERMI-*
 9 *NATION.—Each agreement entered into under para-*
 10 *graph (1) shall provide for early termination upon*
 11 *failure to meet performance standards which shall be*
 12 *specified in the agreement and which shall be weight-*
 13 *ed to take into account any performance in prior*
 14 *terms. Such performance standards shall include—*

15 *“(A) measures for ease of access by bene-*
 16 *ficiaries to services; and*

17 *“(B) measures for determining the extent to*
 18 *which failures in obtaining services for bene-*
 19 *ficiaries fall within acceptable parameters, as de-*
 20 *termined by the Commissioner.*

21 *“(3) PRECLUSION FROM DIRECT PARTICIPATION*
 22 *IN DELIVERY OF SERVICES IN OWN SERVICE AREA.—*
 23 *Agreements under paragraph (1) shall preclude—*

24 *“(A) direct participation by a program*
 25 *manager in the delivery of employment services,*

1 *vocational rehabilitation services, or other sup-*
2 *port services to beneficiaries in the service area*
3 *covered by the program manager’s agreement;*
4 *and*

5 *“(B) the holding by a program manager of*
6 *a financial interest in an employment network*
7 *or service provider which provides services in a*
8 *geographic area covered under the program man-*
9 *ager’s agreement.*

10 *“(4) SELECTION OF EMPLOYMENT NETWORKS.—*

11 *“(A) IN GENERAL.—The Commissioner shall*
12 *select and enter into agreements with employ-*
13 *ment networks for service under the Program.*
14 *Such employment networks shall be in addition*
15 *to State agencies serving as employment net-*
16 *works pursuant to elections under subsection (c).*

17 *“(B) ALTERNATE PARTICIPANTS.—In any*
18 *State where the Program is being implemented,*
19 *the Commissioner shall enter into an agreement*
20 *with any alternate participant that is operating*
21 *under the authority of section 222(d)(2) in the*
22 *State as of the date of enactment of this section*
23 *and chooses to serve as an employment network*
24 *under the Program.*

1 “(5) *TERMINATION OF AGREEMENTS WITH EM-*
2 *PLOYMENT NETWORKS.*—*The Commissioner shall ter-*
3 *minate agreements with employment networks for in-*
4 *adequate performance, as determined by the Commis-*
5 *sioner.*

6 “(6) *QUALITY ASSURANCE.*—*The Commissioner*
7 *shall provide for such periodic reviews as are nec-*
8 *essary to provide for effective quality assurance in the*
9 *provision of services by employment networks. The*
10 *Commissioner shall solicit and consider the views of*
11 *consumers and the program manager under which the*
12 *employment networks serve and shall consult with*
13 *providers of services to develop performance measure-*
14 *ments. The Commissioner shall ensure that the results*
15 *of the periodic reviews are made available to bene-*
16 *ficiaries who are prospective service recipients as they*
17 *select employment networks. The Commissioner shall*
18 *ensure that the periodic surveys of beneficiaries re-*
19 *ceiving services under the Program are designed to*
20 *measure customer service satisfaction.*

21 “(7) *DISPUTE RESOLUTION.*—*The Commissioner*
22 *shall provide for a mechanism for resolving disputes*
23 *between beneficiaries and employment networks, be-*
24 *tween program managers and employment networks,*
25 *and between program managers and providers of*

1 *services. The Commissioner shall afford a party to*
2 *such a dispute a reasonable opportunity for a full*
3 *and fair review of the matter in dispute.*

4 *“(e) PROGRAM MANAGERS.—*

5 *“(1) IN GENERAL.—A program manager shall*
6 *conduct tasks appropriate to assist the Commissioner*
7 *in carrying out the Commissioner’s duties in admin-*
8 *istering the Program.*

9 *“(2) RECRUITMENT OF EMPLOYMENT NET-*
10 *WORKS.—A program manager shall recruit, and rec-*
11 *ommend for selection by the Commissioner, employ-*
12 *ment networks for service under the Program. The*
13 *program manager shall carry out such recruitment*
14 *and provide such recommendations, and shall mon-*
15 *itor all employment networks serving in the Program*
16 *in the geographic area covered under the program*
17 *manager’s agreement, to the extent necessary and ap-*
18 *propriate to ensure that adequate choices of services*
19 *are made available to beneficiaries. Employment net-*
20 *works may serve under the Program only pursuant to*
21 *an agreement entered into with the Commissioner*
22 *under the Program incorporating the applicable pro-*
23 *visions of this section and regulations thereunder, and*
24 *the program manager shall provide and maintain as-*
25 *surances to the Commissioner that payment by the*

1 *Commissioner to employment networks pursuant to*
2 *this section is warranted based on compliance by such*
3 *employment networks with the terms of such agree-*
4 *ment and this section. The program manager shall*
5 *not impose numerical limits on the number of em-*
6 *ployment networks to be recommended pursuant to*
7 *this paragraph.*

8 *“(3) FACILITATION OF ACCESS BY BENE-*
9 *FICIARIES TO EMPLOYMENT NETWORKS.—A program*
10 *manager shall facilitate access by beneficiaries to em-*
11 *ployment networks. The program manager shall en-*
12 *sure that each beneficiary is allowed changes in em-*
13 *ployment networks for good cause, as determined by*
14 *the Commissioner, without being deemed to have re-*
15 *jected services under the Program. The program man-*
16 *ager shall establish and maintain lists of employment*
17 *networks available to beneficiaries and shall make*
18 *such lists generally available to the public. The pro-*
19 *gram manager shall ensure that all information pro-*
20 *vided to disabled beneficiaries pursuant to this para-*
21 *graph is provided in accessible formats.*

22 *“(4) ENSURING AVAILABILITY OF ADEQUATE*
23 *SERVICES.—The program manager shall ensure that*
24 *employment services, vocational rehabilitation serv-*
25 *ices, and other support services are provided to bene-*

1 *ficiaries throughout the geographic area covered under*
2 *the program manager’s agreement, including rural*
3 *areas.*

4 “(5) *REASONABLE ACCESS TO SERVICES.—The*
5 *program manager shall take such measures as are*
6 *necessary to ensure that sufficient employment net-*
7 *works are available and that each beneficiary receiv-*
8 *ing services under the Program has reasonable access*
9 *to employment services, vocational rehabilitation serv-*
10 *ices, and other support services. Services provided*
11 *under the Program may include case management,*
12 *work incentives planning, supported employment, ca-*
13 *reer planning, career plan development, vocational*
14 *assessment, job training, placement, followup services,*
15 *and such other services as may be specified by the*
16 *Commissioner under the Program. The program man-*
17 *ager shall ensure that such services are available in*
18 *each service area.*

19 “(f) *EMPLOYMENT NETWORKS.—*

20 “(1) *QUALIFICATIONS FOR EMPLOYMENT NET-*
21 *WORKS.—*

22 “(A) *IN GENERAL.—Each employment net-*
23 *work serving under the Program shall consist of*
24 *an agency or instrumentality of a State (or a*
25 *political subdivision thereof) or a private entity*

1 *that assumes responsibility for the coordination*
2 *and delivery of services under the Program to in-*
3 *dividuals assigning to the employment network*
4 *tickets to work and self-sufficiency issued under*
5 *subsection (b).*

6 “(B) *ONE-STOP DELIVERY SYSTEMS.*—*An*
7 *employment network serving under the Program*
8 *may consist of a one-stop delivery system estab-*
9 *lished under subtitle B of title I of the Workforce*
10 *Investment Act of 1998.*

11 “(C) *COMPLIANCE WITH SELECTION CRI-*
12 *TERIA.*—*No employment network may serve*
13 *under the Program unless it meets and main-*
14 *tains compliance with both general selection cri-*
15 *teria (such as professional and educational*
16 *qualifications (where applicable)) and specific*
17 *selection criteria (such as substantial expertise*
18 *and experience in providing relevant employ-*
19 *ment services and supports).*

20 “(D) *SINGLE OR ASSOCIATED PROVIDERS*
21 *ALLOWED.*—*An employment network shall con-*
22 *sist of either a single provider of such services or*
23 *of an association of such providers organized so*
24 *as to combine their resources into a single entity.*
25 *An employment network may meet the require-*

1 *ments of subsection (e)(4) by providing services*
 2 *directly, or by entering into agreements with*
 3 *other individuals or entities providing appro-*
 4 *priate employment services, vocational rehabili-*
 5 *tation services, or other support services.*

6 *“(2) REQUIREMENTS RELATING TO PROVISION OF*
 7 *SERVICES.—Each employment network serving under*
 8 *the Program shall be required under the terms of its*
 9 *agreement with the Commissioner to—*

10 *“(A) serve prescribed service areas; and*

11 *“(B) take such measures as are necessary to*
 12 *ensure that employment services, vocational re-*
 13 *habilitation services, and other support services*
 14 *provided under the Program by, or under agree-*
 15 *ments entered into with, the employment network*
 16 *are provided under appropriate individual work*
 17 *plans meeting the requirements of subsection (g).*

18 *“(3) ANNUAL FINANCIAL REPORTING.—Each em-*
 19 *ployment network shall meet financial reporting re-*
 20 *quirements as prescribed by the Commissioner.*

21 *“(4) PERIODIC OUTCOMES REPORTING.—Each*
 22 *employment network shall prepare periodic reports,*
 23 *on at least an annual basis, itemizing for the covered*
 24 *period specific outcomes achieved with respect to spe-*
 25 *cific services provided by the employment network.*

1 *Such reports shall conform to a national model pre-*
2 *scribed under this section. Each employment network*
3 *shall provide a copy of the latest report issued by the*
4 *employment network pursuant to this paragraph to*
5 *each beneficiary upon enrollment under the Program*
6 *for services to be received through such employment*
7 *network. Upon issuance of each report to each bene-*
8 *ficiary, a copy of the report shall be maintained in*
9 *the files of the employment network. The program*
10 *manager shall ensure that copies of all such reports*
11 *issued under this paragraph are made available to the*
12 *public under reasonable terms.*

13 “(g) *INDIVIDUAL WORK PLANS.*—

14 “(1) *REQUIREMENTS.*—*Each employment net-*
15 *work shall—*

16 “(A) *take such measures as are necessary to*
17 *ensure that employment services, vocational re-*
18 *habilitation services, and other support services*
19 *provided under the Program by, or under agree-*
20 *ments entered into with, the employment network*
21 *are provided under appropriate individual work*
22 *plans that meet the requirements of subpara-*
23 *graph (C);*

24 “(B) *develop and implement each such indi-*
25 *vidual work plan in partnership with each bene-*

1 *ficiary receiving such services in a manner that*
2 *affords the beneficiary the opportunity to exer-*
3 *cise informed choice in selecting an employment*
4 *goal and specific services needed to achieve that*
5 *employment goal;*

6 *“(C) ensure that each individual work plan*
7 *includes at least—*

8 *“(i) a statement of the vocational goal*
9 *developed with the beneficiary;*

10 *“(ii) a statement of the services and*
11 *supports that have been deemed necessary*
12 *for the beneficiary to accomplish that goal;*

13 *“(iii) a statement of any terms and*
14 *conditions related to the provision of such*
15 *services and supports; and*

16 *“(iv) a statement of understanding re-*
17 *garding the beneficiary’s rights under the*
18 *Program (such as the right to retrieve the*
19 *ticket to work and self-sufficiency if the ben-*
20 *eficiary is dissatisfied with the services*
21 *being provided by the employment network)*
22 *and remedies available to the individual,*
23 *including information on the availability of*
24 *advocacy services and assistance in resolv-*

1 *ing disputes through the State grant pro-*
 2 *gram authorized under section 1150;*

3 *“(D) provide a beneficiary the opportunity*
 4 *to amend the individual work plan if a change*
 5 *in circumstances necessitates a change in the*
 6 *plan; and*

7 *“(E) make each beneficiary’s individual*
 8 *work plan available to the beneficiary in, as ap-*
 9 *propriate, an accessible format chosen by the*
 10 *beneficiary.*

11 *“(2) EFFECTIVE UPON WRITTEN APPROVAL.—A*
 12 *beneficiary’s individual work plan shall take effect*
 13 *upon written approval by the beneficiary or a rep-*
 14 *resentative of the beneficiary and a representative of*
 15 *the employment network that, in providing such writ-*
 16 *ten approval, acknowledges assignment of the bene-*
 17 *ficiary’s ticket to work and self-sufficiency.*

18 *“(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—*

19 *“(1) ELECTION OF PAYMENT SYSTEM BY EM-*
 20 *PLOYMENT NETWORKS.—*

21 *“(A) IN GENERAL.—The Program shall pro-*
 22 *vide for payment authorized by the Commis-*
 23 *sioner to employment networks under either an*
 24 *outcome payment system or an outcome-mile-*
 25 *stone payment system. Each employment net-*

1 *work shall elect which payment system will be*
2 *utilized by the employment network, and, for*
3 *such period of time as such election remains in*
4 *effect, the payment system so elected shall be uti-*
5 *lized exclusively in connection with such employ-*
6 *ment network (except as provided in subpara-*
7 *graph (B)).*

8 *“(B) NO CHANGE IN METHOD OF PAYMENT*
9 *FOR BENEFICIARIES WITH TICKETS ALREADY AS-*
10 *SIGNED TO THE EMPLOYMENT NETWORKS.—Any*
11 *election of a payment system by an employment*
12 *network that would result in a change in the*
13 *method of payment to the employment network*
14 *for services provided to a beneficiary who is re-*
15 *ceiving services from the employment network at*
16 *the time of the election shall not be effective with*
17 *respect to payment for services provided to that*
18 *beneficiary and the method of payment pre-*
19 *viously selected shall continue to apply with re-*
20 *spect to such services.*

21 *“(2) OUTCOME PAYMENT SYSTEM.—*

22 *“(A) IN GENERAL.—The outcome payment*
23 *system shall consist of a payment structure gov-*
24 *erning employment networks electing such sys-*

tem under paragraph (1)(A) which meets the requirements of this paragraph.

“(B) *PAYMENTS MADE DURING OUTCOME PAYMENT PERIOD.*—The outcome payment system shall provide for a schedule of payments to an employment network in connection with each individual who is a beneficiary for each month during the individual’s outcome payment period for which benefits (described in paragraphs (3) and (4) of subsection (k)) are not payable to such individual because of work or earnings.

“(C) *COMPUTATION OF PAYMENTS TO EMPLOYMENT NETWORK.*—The payment schedule of the outcome payment system shall be designed so that—

“(i) the payment for each of the 60 months during the outcome payment period for which benefits (described in paragraphs (3) and (4) of subsection (k)) are not payable is equal to a fixed percentage of the payment calculation base for the calendar year in which such month occurs; and

“(ii) such fixed percentage is set at a percentage which does not exceed 40 percent.

“(3) *OUTCOME-MILESTONE PAYMENT SYSTEM.*—

1 “(A) *IN GENERAL.*—*The outcome-milestone*
2 *payment system shall consist of a payment*
3 *structure governing employment networks elect-*
4 *ing such system under paragraph (1)(A) which*
5 *meets the requirements of this paragraph.*

6 “(B) *EARLY PAYMENTS UPON ATTAINMENT*
7 *OF MILESTONES IN ADVANCE OF OUTCOME PAY-*
8 *MENT PERIODS.*—*The outcome-milestone pay-*
9 *ment system shall provide for 1 or more mile-*
10 *stones with respect to beneficiaries receiving serv-*
11 *ices from an employment network under the Pro-*
12 *gram that are directed toward the goal of perma-*
13 *nent employment. Such milestones shall form a*
14 *part of a payment structure that provides, in*
15 *addition to payments made during outcome pay-*
16 *ment periods, payments made prior to outcome*
17 *payment periods in amounts based on the at-*
18 *tainment of such milestones.*

19 “(C) *LIMITATION ON TOTAL PAYMENTS TO*
20 *EMPLOYMENT NETWORK.*—*The payment schedule*
21 *of the outcome-milestone payment system shall be*
22 *designed so that the total of the payments to the*
23 *employment network with respect to each bene-*
24 *ficiary is less than, on a net present value basis*
25 *(using an interest rate determined by the Com-*

1 *missioner that appropriately reflects the cost of*
2 *funds faced by providers), the total amount to*
3 *which payments to the employment network with*
4 *respect to the beneficiary would be limited if the*
5 *employment network were paid under the out-*
6 *come payment system.*

7 “(4) *DEFINITIONS.—In this subsection:*

8 “(A) *PAYMENT CALCULATION BASE.—The*
9 *term ‘payment calculation base’ means, for any*
10 *calendar year—*

11 “(i) *in connection with a title II dis-*
12 *ability beneficiary, the average disability*
13 *insurance benefit payable under section 223*
14 *for all beneficiaries for months during the*
15 *preceding calendar year; and*

16 “(ii) *in connection with a title XVI*
17 *disability beneficiary (who is not concur-*
18 *rently a title II disability beneficiary), the*
19 *average payment of supplemental security*
20 *income benefits based on disability payable*
21 *under title XVI (excluding State supplemen-*
22 *tation) for months during the preceding cal-*
23 *endar year to all beneficiaries who have at-*
24 *tained age 18 but have not attained age 65.*

1 “(B) *OUTCOME PAYMENT PERIOD.*—The
 2 term ‘outcome payment period’ means, in con-
 3 nection with any individual who had assigned a
 4 ticket to work and self-sufficiency to an employ-
 5 ment network under the Program, a period—

6 “(i) beginning with the first month,
 7 ending after the date on which such ticket
 8 was assigned to the employment network,
 9 for which benefits (described in paragraphs
 10 (3) and (4) of subsection (k)) are not pay-
 11 able to such individual by reason of engage-
 12 ment in substantial gainful activity or by
 13 reason of earnings from work activity; and

14 “(ii) ending with the 60th month (con-
 15 secutive or otherwise), ending after such
 16 date, for which such benefits are not pay-
 17 able to such individual by reason of engage-
 18 ment in substantial gainful activity or by
 19 reason of earnings from work activity.

20 “(5) *PERIODIC REVIEW AND ALTERATIONS OF*
 21 *PRESCRIBED SCHEDULES.*—

22 “(A) *PERCENTAGES AND PERIODS.*—The
 23 Commissioner shall periodically review the per-
 24 centage specified in paragraph (2)(C), the total
 25 payments permissible under paragraph (3)(C),

1 *and the period of time specified in paragraph*
2 *(4)(B) to determine whether such percentages,*
3 *such permissible payments, and such period pro-*
4 *vide an adequate incentive for employment net-*
5 *works to assist beneficiaries to enter the work-*
6 *force, while providing for appropriate economies.*
7 *The Commissioner may alter such percentage,*
8 *such total permissible payments, or such period*
9 *of time to the extent that the Commissioner de-*
10 *termines, on the basis of the Commissioner's re-*
11 *view under this paragraph, that such an alter-*
12 *ation would better provide the incentive and*
13 *economies described in the preceding sentence.*

14 *“(B) NUMBER AND AMOUNTS OF MILESTONE*
15 *PAYMENTS.—The Commissioner shall periodi-*
16 *cally review the number and amounts of mile-*
17 *stone payments established by the Commissioner*
18 *pursuant to this section to determine whether*
19 *they provide an adequate incentive for employ-*
20 *ment networks to assist beneficiaries to enter the*
21 *workforce, taking into account information pro-*
22 *vided to the Commissioner by program man-*
23 *agers, the Work Incentives Advisory Panel estab-*
24 *lished under section 201(f) of the Work Incen-*
25 *tives Improvement Act of 1999, and other reli-*

1 *able sources. The Commissioner may from time*
2 *to time alter the number and amounts of mile-*
3 *stone payments initially established by the Com-*
4 *missioner pursuant to this section to the extent*
5 *that the Commissioner determines that such an*
6 *alteration would allow an adequate incentive for*
7 *employment networks to assist beneficiaries to*
8 *enter the workforce. Such alteration shall be*
9 *based on information provided to the Commis-*
10 *sioner by program managers, the Work Incen-*
11 *tives Advisory Panel established under section*
12 *201(f) of the Work Incentives Improvement Act*
13 *of 1999, or other reliable sources.*

14 “(i) *SUSPENSION OF DISABILITY REVIEWS.*—*During*
15 *any period for which an individual is using, as defined*
16 *by the Commissioner, a ticket to work and self-sufficiency*
17 *issued under this section, the Commissioner (and any ap-*
18 *plicable State agency) may not initiate a continuing dis-*
19 *ability review or other review under section 221 of whether*
20 *the individual is or is not under a disability or a review*
21 *under title XVI similar to any such review under section*
22 *221.*

23 “(j) *ALLOCATION OF COSTS.*—

24 “(1) *PAYMENTS TO EMPLOYMENT NETWORKS.*—
25 *Payments to employment networks (including State*

1 *agencies that elect to participate in the Program as*
2 *an employment network) shall be made from the Fed-*
3 *eral Old-Age and Survivors Insurance Trust Fund or*
4 *the Federal Disability Insurance Trust Fund, as ap-*
5 *propriate, in the case of ticketed title II disability*
6 *beneficiaries who return to work, or from the appro-*
7 *priation made available for making supplemental se-*
8 *curity income payments under title XVI, in the case*
9 *of title XVI disability beneficiaries who return to*
10 *work. With respect to ticketed beneficiaries who con-*
11 *currently are entitled to benefits under title II and el-*
12 *igible for payments under title XVI who return to*
13 *work, the Commissioner shall allocate the cost of pay-*
14 *ments to employment networks to which the tickets of*
15 *such beneficiaries have been assigned among such*
16 *Trust Funds and appropriation, as appropriate.*

17 *“(2) ADMINISTRATIVE EXPENSES.—The costs of*
18 *administering this section (other than payments to*
19 *employment networks) shall be paid from amounts*
20 *made available for the administration of title II and*
21 *amounts made available for the administration of*
22 *title XVI, and shall be allocated among those amounts*
23 *as appropriate.*

24 *“(k) DEFINITIONS.—In this section:*

1 “(1) *COMMISSIONER.*—*The term ‘Commissioner’*
2 *means the Commissioner of Social Security.*

3 “(2) *DISABLED BENEFICIARY.*—*The term ‘dis-*
4 *abled beneficiary’ means a title II disability bene-*
5 *ficiary or a title XVI disability beneficiary.*

6 “(3) *TITLE II DISABILITY BENEFICIARY.*—*The*
7 *term ‘title II disability beneficiary’ means an indi-*
8 *vidual entitled to disability insurance benefits under*
9 *section 223 or to monthly insurance benefits under*
10 *section 202 based on such individual’s disability (as*
11 *defined in section 223(d)). An individual is a title II*
12 *disability beneficiary for each month for which such*
13 *individual is entitled to such benefits.*

14 “(4) *TITLE XVI DISABILITY BENEFICIARY.*—*The*
15 *term ‘title XVI disability beneficiary’ means an indi-*
16 *vidual eligible for supplemental security income bene-*
17 *fits under title XVI on the basis of blindness (within*
18 *the meaning of section 1614(a)(2)) or disability*
19 *(within the meaning of section 1614(a)(3)). An indi-*
20 *vidual is a title XVI disability beneficiary for each*
21 *month for which such individual is eligible for such*
22 *benefits.*

23 “(5) *SUPPLEMENTAL SECURITY INCOME BENEFIT*
24 *UNDER TITLE XVI.*—*The term ‘supplemental security*
25 *income benefit under title XVI’ means a cash benefit*

1 *under section 1611 or 1619(a), and does not include*
 2 *a State supplementary payment, administered feder-*
 3 *ally or otherwise.*

4 “(l) *REGULATIONS.*—*Not later than 1 year after the*
 5 *date of enactment of this section, the Commissioner shall*
 6 *prescribe such regulations as are necessary to carry out the*
 7 *provisions of this section.*”.

8 (b) *CONFORMING AMENDMENTS.*—

9 (1) *AMENDMENTS TO TITLE II.*—

10 (A) *Section 221(i) of the Social Security*
 11 *Act (42 U.S.C. 421(i)) is amended by adding at*
 12 *the end the following:*

13 “(5) *For suspension of reviews under this subsection*
 14 *in the case of an individual using a ticket to work and*
 15 *self-sufficiency, see section 1148(i).*”.

16 (B) *Section 222(a) of the Social Security*
 17 *Act (42 U.S.C. 422(a)) is repealed.*

18 (C) *Section 222(b) of the Social Security*
 19 *Act (42 U.S.C. 422(b)) is repealed.*

20 (D) *Section 225(b)(1) of the Social Security*
 21 *Act (42 U.S.C. 425(b)(1)) is amended by striking*
 22 *“a program of vocational rehabilitation services”*
 23 *and inserting “a program consisting of the Tick-*
 24 *et to Work and Self-Sufficiency Program under*
 25 *section 1148 or another program of vocational*

1 *rehabilitation services, employment services, or*
 2 *other support services”.*

3 (2) *AMENDMENTS TO TITLE XVI.—*

4 (A) *Section 1615(a) of the Social Security*
 5 *Act (42 U.S.C. 1382d(a)) is amended to read as*
 6 *follows:*

7 “*SEC. 1615. (a) In the case of any blind or disabled*
 8 *individual who—*

9 “(1) *has not attained age 16, and*

10 “(2) *with respect to whom benefits are paid*
 11 *under this title,*

12 *the Commissioner of Social Security shall make provision*
 13 *for referral of such individual to the appropriate State*
 14 *agency administering the State program under title V.”.*

15 (B) *Section 1615(c) of the Social Security*
 16 *Act (42 U.S.C. 1382d(c)) is repealed.*

17 (C) *Section 1631(a)(6)(A) of the Social Se-*
 18 *curity Act (42 U.S.C. 1383(a)(6)(A)) is amended*
 19 *by striking “a program of vocational rehabilita-*
 20 *tion services” and inserting “a program con-*
 21 *sisting of the Ticket to Work and Self-Sufficiency*
 22 *Program under section 1148 or another program*
 23 *of vocational rehabilitation services, employment*
 24 *services, or other support services”.*

1 (D) *Section 1633(c) of the Social Security*
2 *Act (42 U.S.C. 1383b(c)) is amended—*

3 (i) *by inserting “(1)” after “(c)”;* and

4 (ii) *by adding at the end the following:*

5 “(2) *For suspension of continuing disability reviews*
6 *and other reviews under this title similar to reviews under*
7 *section 221 in the case of an individual using a ticket to*
8 *work and self-sufficiency, see section 1148(i).”.*

9 (c) *EFFECTIVE DATE.—Subject to subsection (d), the*
10 *amendments made by subsections (a) and (b) shall take ef-*
11 *fect with the first month following 1 year after the date*
12 *of enactment of this Act.*

13 (d) *GRADUATED IMPLEMENTATION OF PROGRAM.—*

14 (1) *IN GENERAL.—Not later than 1 year after*
15 *the date of enactment of this Act, the Commissioner*
16 *of Social Security shall commence implementation of*
17 *the amendments made by this section (other than*
18 *paragraphs (1)(C) and (2)(B) of subsection (b)) in*
19 *graduated phases at phase-in sites selected by the*
20 *Commissioner. Such phase-in sites shall be selected so*
21 *as to ensure, prior to full implementation of the Tick-*
22 *et to Work and Self-Sufficiency Program, the develop-*
23 *ment and refinement of referral processes, payment*
24 *systems, computer linkages, management information*
25 *systems, and administrative processes necessary to*

1 *provide for full implementation of such amendments.*
2 *Subsection (c) shall apply with respect to paragraphs*
3 *(1)(C) and (2)(B) of subsection (b) without regard to*
4 *this subsection.*

5 (2) *REQUIREMENTS.—Implementation of the*
6 *Program at each phase-in site shall be carried out on*
7 *a wide enough scale to permit a thorough evaluation*
8 *of the alternative methods under consideration, so as*
9 *to ensure that the most efficacious methods are deter-*
10 *mined and in place for full implementation of the*
11 *Program on a timely basis.*

12 (3) *FULL IMPLEMENTATION.—The Commissioner*
13 *shall ensure that the ability to provide tickets and*
14 *services to individuals under the Program exists in*
15 *every State as soon as practicable on or after the ef-*
16 *fective date specified in subsection (c) but not later*
17 *than 3 years after such date.*

18 (4) *ONGOING EVALUATION OF PROGRAM.—*

19 (A) *IN GENERAL.—The Commissioner shall*
20 *design and conduct a series of evaluations to as-*
21 *sess the cost-effectiveness of activities carried out*
22 *under this section and the amendments made*
23 *thereby, as well as the effects of this section and*
24 *the amendments made thereby on work outcomes*

1 *for beneficiaries receiving tickets to work and*
2 *self-sufficiency under the Program.*

3 (B) *CONSULTATION.*—*The Commissioner*
4 *shall design and carry out the series of evalua-*
5 *tions after receiving relevant advice from experts*
6 *in the fields of disability, vocational rehabilita-*
7 *tion, and program evaluation and individuals*
8 *using tickets to work and self-sufficiency under*
9 *the Program and consulting with the Work In-*
10 *centives Advisory Panel established under section*
11 *201(f), the Comptroller General of the United*
12 *States, other agencies of the Federal Government,*
13 *and private organizations with appropriate ex-*
14 *pertise.*

15 (C) *METHODOLOGY.*—

16 (i) *IMPLEMENTATION.*—*The Commis-*
17 *sioner, in consultation with the Work Incen-*
18 *tives Advisory Panel established under sec-*
19 *tion 201(f), shall ensure that plans for eval-*
20 *uations and data collection methods under*
21 *the Program are appropriately designed to*
22 *obtain detailed employment information.*

23 (ii) *SPECIFIC MATTERS TO BE AD-*
24 *DRESSED.*—*Each such evaluation shall ad-*
25 *dress (but is not limited to)—*

1 (I) the annual cost (including net
2 cost) of the Program and the annual
3 cost (including net cost) that would
4 have been incurred in the absence of
5 the Program;

6 (II) the determinants of return to
7 work, including the characteristics of
8 beneficiaries in receipt of tickets under
9 the Program;

10 (III) the types of employment
11 services, vocational rehabilitation serv-
12 ices, and other support services fur-
13 nished to beneficiaries in receipt of
14 tickets under the Program who return
15 to work and to those who do not return
16 to work;

17 (IV) the duration of employment
18 services, vocational rehabilitation serv-
19 ices, and other support services fur-
20 nished to beneficiaries in receipt of
21 tickets under the Program who return
22 to work and the duration of such serv-
23 ices furnished to those who do not re-
24 turn to work and the cost to employ-

1 *ment networks of furnishing such serv-*
2 *ices;*

3 (V) *the employment outcomes, in-*
4 *cluding wages, occupations, benefits,*
5 *and hours worked, of beneficiaries who*
6 *return to work after receiving tickets*
7 *under the Program and those who re-*
8 *turn to work without receiving such*
9 *tickets;*

10 (VI) *the characteristics of pro-*
11 *viders whose services are provided*
12 *within an employment network under*
13 *the Program;*

14 (VII) *the extent (if any) to which*
15 *employment networks display a greater*
16 *willingness to provide services to bene-*
17 *ficiaries with a range of disabilities;*

18 (VIII) *the characteristics (includ-*
19 *ing employment outcomes) of those*
20 *beneficiaries who receive services under*
21 *the outcome payment system and of*
22 *those beneficiaries who receive services*
23 *under the outcome-milestone payment*
24 *system;*

1 (IX) measures of satisfaction
2 among beneficiaries in receipt of tick-
3 ets under the Program; and

4 (X) reasons for (including com-
5 ments solicited from beneficiaries re-
6 garding) their choice not to use their
7 tickets or their inability to return to
8 work despite the use of their tickets.

9 (D) PERIODIC EVALUATION REPORTS.—Fol-
10 lowing the close of the third and fifth fiscal years
11 ending after the effective date under subsection
12 (c), and prior to the close of the seventh fiscal
13 year ending after such date, the Commissioner
14 shall transmit to the Committee on Ways and
15 Means of the House of Representatives and the
16 Committee on Finance of the Senate a report
17 containing the Commissioner's evaluation of the
18 progress of activities conducted under the provi-
19 sions of this section and the amendments made
20 thereby. Each such report shall set forth the
21 Commissioner's evaluation of the extent to which
22 the Program has been successful and the Com-
23 missioner's conclusions on whether or how the
24 Program should be modified. Each such report
25 shall include such data, findings, materials, and

1 *recommendations as the Commissioner may con-*
 2 *sider appropriate.*

3 (5) *EXTENT OF STATE'S RIGHT OF FIRST RE-*
 4 *FUSAL IN ADVANCE OF FULL IMPLEMENTATION OF*
 5 *AMENDMENTS IN SUCH STATE.—*

6 (A) *IN GENERAL.—In the case of any State*
 7 *in which the amendments made by subsection (a)*
 8 *have not been fully implemented pursuant to this*
 9 *subsection, the Commissioner shall determine by*
 10 *regulation the extent to which—*

11 (i) *the requirement under section*
 12 *222(a) of the Social Security Act for*
 13 *prompt referrals to a State agency, and*

14 (ii) *the authority of the Commissioner*
 15 *under section 222(d)(2) of the Social Secu-*
 16 *rity Act to provide vocational rehabilitation*
 17 *services in such State by agreement or con-*
 18 *tract with other public or private agencies,*
 19 *organizations, institutions, or individuals,*
 20 *shall apply in such State.*

21 (B) *EXISTING AGREEMENTS.—Nothing in*
 22 *subparagraph (A) or the amendments made by*
 23 *subsection (a) shall be construed to limit, im-*
 24 *pede, or otherwise affect any agreement entered*
 25 *into pursuant to section 222(d)(2) of the Social*

1 *Security Act before the date of enactment of this*
 2 *Act with respect to services provided pursuant to*
 3 *such agreement to beneficiaries receiving services*
 4 *under such agreement as of such date, except*
 5 *with respect to services (if any) to be provided*
 6 *after 3 years after the effective date provided in*
 7 *subsection (c).*

8 *(e) SPECIFIC REGULATIONS REQUIRED.—*

9 *(1) IN GENERAL.—The Commissioner of Social*
 10 *Security shall prescribe such regulations as are nec-*
 11 *essary to implement the amendments made by this*
 12 *section.*

13 *(2) SPECIFIC MATTERS TO BE INCLUDED IN REG-*
 14 *ULATIONS.—The matters which shall be addressed in*
 15 *such regulations shall include—*

16 *(A) the form and manner in which tickets*
 17 *to work and self-sufficiency may be distributed to*
 18 *beneficiaries pursuant to section 1148(b)(1) of*
 19 *the Social Security Act;*

20 *(B) the format and wording of such tickets,*
 21 *which shall incorporate by reference any contrac-*
 22 *tual terms governing service by employment net-*
 23 *works under the Program;*

24 *(C) the form and manner in which State*
 25 *agencies may elect participation in the Ticket to*

1 *Work and Self-Sufficiency Program (and revoke*
2 *such an election) pursuant to section 1148(c)(1)*
3 *of the Social Security Act and provision for*
4 *periodic opportunities for exercising such elec-*
5 *tions (and revocations);*

6 *(D) the status of State agencies under sec-*
7 *tion 1148(c)(1) at the time that State agencies*
8 *exercise elections (and revocations) under that*
9 *section;*

10 *(E) the terms of agreements to be entered*
11 *into with program managers pursuant to section*
12 *1148(d) of the Social Security Act, including—*

13 *(i) the terms by which program man-*
14 *agers are precluded from direct participa-*
15 *tion in the delivery of services pursuant to*
16 *section 1148(d)(3) of the Social Security*
17 *Act;*

18 *(ii) standards which must be met by*
19 *quality assurance measures referred to in*
20 *paragraph (6) of section 1148(d) and meth-*
21 *ods of recruitment of employment networks*
22 *utilized pursuant to paragraph (2) of sec-*
23 *tion 1148(e); and*

1 (iii) the format under which dispute
2 resolution will operate under section
3 1148(d)(7);

4 (F) the terms of agreements to be entered
5 into with employment networks pursuant to sec-
6 tion 1148(d)(4) of the Social Security Act,
7 including—

8 (i) the manner in which service areas
9 are specified pursuant to section
10 1148(f)(2)(A) of the Social Security Act;

11 (ii) the general selection criteria and
12 the specific selection criteria which are ap-
13 plicable to employment networks under sec-
14 tion 1148(f)(1)(C) of the Social Security
15 Act in selecting service providers;

16 (iii) specific requirements relating to
17 annual financial reporting by employment
18 networks pursuant to section 1148(f)(3) of
19 the Social Security Act; and

20 (iv) the national model to which peri-
21 odic outcomes reporting by employment net-
22 works must conform under section
23 1148(f)(4) of the Social Security Act;

1 (G) standards which must be met by indi-
2 vidual work plans pursuant to section 1148(g) of
3 the Social Security Act;

4 (H) standards which must be met by pay-
5 ment systems required under section 1148(h) of
6 the Social Security Act, including—

7 (i) the form and manner in which elec-
8 tions by employment networks of payment
9 systems are to be exercised pursuant to sec-
10 tion 1148(h)(1)(A);

11 (ii) the terms which must be met by an
12 outcome payment system under section
13 1148(h)(2);

14 (iii) the terms which must be met by
15 an outcome-milestone payment system
16 under section 1148(h)(3);

17 (iv) any revision of the percentage
18 specified in paragraph (2)(C) of section
19 1148(h) of the Social Security Act or the
20 period of time specified in paragraph
21 (4)(B) of such section 1148(h); and

22 (v) annual oversight procedures for
23 such systems; and

24 (I) procedures for effective oversight of the
25 Program by the Commissioner of Social Secu-

1 *rity, including periodic reviews and reporting*
 2 *requirements.*

3 *(f) WORK INCENTIVES ADVISORY PANEL.—*

4 *(1) ESTABLISHMENT.—There is established with-*
 5 *in the Social Security Administration a panel to be*
 6 *known as the “Work Incentives Advisory Panel” (in*
 7 *this subsection referred to as the “Panel”).*

8 *(2) DUTIES OF PANEL.—It shall be the duty of*
 9 *the Panel to—*

10 *(A) advise the President, Congress, and the*
 11 *Commissioner of Social Security on issues re-*
 12 *lated to work incentives programs, planning,*
 13 *and assistance for individuals with disabilities,*
 14 *including work incentive provisions under titles*
 15 *II, XI, XVI, XVIII, and XIX of the Social Secu-*
 16 *rity Act (42 U.S.C. 401 et seq., 1301 et seq.,*
 17 *1381 et seq., 1395 et seq., 1396 et seq.); and*

18 *(B) with respect to the Ticket to Work and*
 19 *Self-Sufficiency Program established under sec-*
 20 *tion 1148 of the Social Security Act—*

21 *(i) advise the Commissioner of Social*
 22 *Security with respect to establishing phase-*
 23 *in sites for such Program and fully imple-*
 24 *menting the Program thereafter, the refine-*
 25 *ment of access of disabled beneficiaries to*

1 *employment networks, payment systems,*
2 *and management information systems, and*
3 *advise the Commissioner whether such*
4 *measures are being taken to the extent nec-*
5 *essary to ensure the success of the Program;*

6 *(ii) advise the Commissioner regarding*
7 *the most effective designs for research and*
8 *demonstration projects associated with the*
9 *Program or conducted pursuant to section*
10 *302;*

11 *(iii) advise the Commissioner on the*
12 *development of performance measurements*
13 *relating to quality assurance under section*
14 *1148(d)(6) of the Social Security Act; and*

15 *(iv) furnish progress reports on the*
16 *Program to the Commissioner and each*
17 *House of Congress.*

18 (3) *MEMBERSHIP.—*

19 (A) *NUMBER AND APPOINTMENT.—The*
20 *Panel shall be composed of 12 members ap-*
21 *pointed as follows:*

22 (i) *4 members appointed by the Presi-*
23 *dent.*

24 (ii) *2 members appointed by the*
25 *Speaker of the House of Representatives, in*

1 *consultation with the chairman of the Com-*
2 *mittee on Ways and Means of the House of*
3 *Representatives.*

4 *(iii) 2 members appointed by the Mi-*
5 *nority Leader of the House of Representa-*
6 *tives, in consultation with the ranking*
7 *member of the Committee on Ways and*
8 *Means of the House of Representatives.*

9 *(iv) 2 members appointed by the Ma-*
10 *jority Leader of the Senate, in consultation*
11 *with the chairman of the Committee on Fi-*
12 *nance of the Senate.*

13 *(v) 2 members appointed by the Minor-*
14 *ity Leader of the Senate, in consultation*
15 *with the ranking member of the Committee*
16 *on Finance of the Senate.*

17 *(B) REPRESENTATION.—All members ap-*
18 *pointed to the Panel shall have experience or ex-*
19 *pert knowledge in the fields of, or related to,*
20 *work incentive programs, employment services,*
21 *vocational rehabilitation services, health care*
22 *services, and other support services for individ-*
23 *uals with disabilities. At least one-half of the*
24 *members described in each clause of subpara-*
25 *graph (A) shall be individuals with disabilities,*

1 *or representatives of individuals with disabil-*
2 *ities, with consideration to current or former*
3 *title II disability beneficiaries or title XVI dis-*
4 *ability beneficiaries (as such terms are defined*
5 *in section 1148(k) of the Social Security Act (as*
6 *added by subsection (a)).*

7 (C) *TERMS.—*

8 (i) *IN GENERAL.—Each member shall*
9 *be appointed for a term of 4 years (or, if*
10 *less, for the remaining life of the Panel), ex-*
11 *cept as provided in clauses (ii) and (iii).*
12 *The initial members shall be appointed not*
13 *later than 90 days after the date of enact-*
14 *ment of this Act.*

15 (ii) *TERMS OF INITIAL APPOINTEES.—*
16 *As designated by the Commissioner at the*
17 *time of appointment, of the members first*
18 *appointed—*

19 (I) *one-half of the members ap-*
20 *pointed under each clause of subpara-*
21 *graph (A) shall be appointed for a*
22 *term of 2 years; and*

23 (II) *the remaining members ap-*
24 *pointed under each such clause shall be*
25 *appointed for a term of 4 years.*

1 (iii) *VACANCIES.*—Any member ap-
2 pointed to fill a vacancy occurring before
3 the expiration of the term for which the
4 member's predecessor was appointed shall be
5 appointed only for the remainder of that
6 term. A member may serve after the expira-
7 tion of that member's term until a successor
8 has taken office. A vacancy in the Panel
9 shall be filled in the manner in which the
10 original appointment was made.

11 (D) *BASIC PAY.*—Members shall each be
12 paid at a rate, and in a manner, that is con-
13 sistent with guidelines established under section
14 7 of the Federal Advisory Committee Act (5
15 U.S.C. App.).

16 (E) *TRAVEL EXPENSES.*—Each member
17 shall receive travel expenses, including per diem
18 in lieu of subsistence, in accordance with sections
19 5702 and 5703 of title 5, United States Code.

20 (F) *QUORUM.*—Eight members of the Panel
21 shall constitute a quorum but a lesser number
22 may hold hearings.

23 (G) *CHAIRPERSON.*—The Chairperson of the
24 Panel shall be designated by the President. The
25 term of office of the Chairperson shall be 4 years.

1 (H) *MEETINGS.*—*The Panel shall meet at*
2 *least quarterly and at other times at the call of*
3 *the Chairperson or a majority of its members.*

4 (4) *DIRECTOR AND STAFF OF PANEL; EXPERTS*
5 *AND CONSULTANTS.*—

6 (A) *DIRECTOR.*—*The Panel shall have a Di-*
7 *rector who shall be appointed by the Commis-*
8 *sioner and paid at a rate, and in a manner,*
9 *that is consistent with guidelines established*
10 *under section 7 of the Federal Advisory Com-*
11 *mittee Act (5 U.S.C. App.).*

12 (B) *STAFF.*—*Subject to rules prescribed by*
13 *the Commissioner, the Director may appoint and*
14 *fix the pay of additional personnel as the Direc-*
15 *tor considers appropriate.*

16 (C) *EXPERTS AND CONSULTANTS.*—*Subject*
17 *to rules prescribed by the Commissioner, the Di-*
18 *rector may procure temporary and intermittent*
19 *services under section 3109(b) of title 5, United*
20 *States Code.*

21 (D) *STAFF OF FEDERAL AGENCIES.*—*Upon*
22 *request of the Panel, the head of any Federal de-*
23 *partment or agency may detail, on a reimburs-*
24 *able basis, any of the personnel of that depart-*

1 *ment or agency to the Panel to assist it in car-*
2 *rying out its duties under this subsection.*

3 (5) *POWERS OF PANEL.*—

4 (A) *HEARINGS AND SESSIONS.*—*The Panel*
5 *may, for the purpose of carrying out its duties*
6 *under this subsection, hold such hearings, sit and*
7 *act at such times and places, and take such testi-*
8 *mony and evidence as the Panel considers appro-*
9 *priate.*

10 (B) *POWERS OF MEMBERS AND AGENTS.*—
11 *Any member or agent of the Panel may, if au-*
12 *thorized by the Panel, take any action which the*
13 *Panel is authorized to take by this subsection.*

14 (C) *MAILS.*—*The Panel may use the United*
15 *States mails in the same manner and under the*
16 *same conditions as other departments and agen-*
17 *cies of the United States.*

18 (6) *REPORTS.*—

19 (A) *INTERIM REPORTS.*—*The Panel shall*
20 *submit directly to the President and Congress in-*
21 *terim reports at least annually.*

22 (B) *FINAL REPORT.*—*The Panel shall trans-*
23 *mit a final report directly to the President and*
24 *Congress not later than 8 years after the date of*
25 *enactment of this Act. The final report shall con-*

1 *tain a detailed statement of the findings and*
 2 *conclusions of the Panel, together with its rec-*
 3 *ommendations for legislation and administrative*
 4 *actions which the Panel considers appropriate.*

5 (7) *TERMINATION.*—*The Panel shall terminate*
 6 *30 days after the date of the submission of its final*
 7 *report under paragraph (6)(B).*

8 (8) *ALLOCATION OF COSTS.*—*The costs of car-*
 9 *rying out this subsection shall be paid from amounts*
 10 *made available for the administration of title II of*
 11 *the Social Security Act (42 U.S.C. 401 et seq.) and*
 12 *amounts made available for the administration of*
 13 *title XVI of that Act (42 U.S.C. 1381 et seq.), and*
 14 *shall be allocated among those amounts as appro-*
 15 *priate.*

16 ***Subtitle B—Elimination of Work***
 17 ***Disincentives***

18 ***SEC. 211. WORK ACTIVITY STANDARD AS A BASIS FOR RE-***
 19 ***VIEW OF AN INDIVIDUAL’S DISABLED STATUS.***

20 *Section 221 of the Social Security Act (42 U.S.C. 421)*
 21 *is amended by adding at the end the following:*

22 “(m)(1) *In any case where an individual entitled to*
 23 *disability insurance benefits under section 223 or to month-*
 24 *ly insurance benefits under section 202 based on such indi-*

1 *vidual's disability (as defined in section 223(d)) has re-*
 2 *ceived such benefits for at least 24 months—*

3 “(A) *no continuing disability review conducted*
 4 *by the Commissioner may be scheduled for the indi-*
 5 *vidual solely as a result of the individual's work ac-*
 6 *tivity;*

7 “(B) *no work activity engaged in by the indi-*
 8 *vidual may be used as evidence that the individual is*
 9 *no longer disabled; and*

10 “(C) *no cessation of work activity by the indi-*
 11 *vidual may give rise to a presumption that the indi-*
 12 *vidual is unable to engage in work.*

13 “(2) *An individual to which paragraph (1) applies*
 14 *shall continue to be subject to—*

15 “(A) *continuing disability reviews on a regu-*
 16 *larly scheduled basis that is not triggered by work;*
 17 *and*

18 “(B) *termination of benefits under this title in*
 19 *the event that the individual has earnings that exceed*
 20 *the level of earnings established by the Commissioner*
 21 *to represent substantial gainful activity.”.*

22 **SEC. 212. EXPEDITED REINSTATEMENT OF DISABILITY BEN-**
 23 **EFITS.**

24 (a) *OASDI BENEFITS.*—Section 223 of the Social Se-
 25 *curity Act (42 U.S.C. 423) is amended—*

1 (1) by redesignating subsection (i) as subsection
2 (j); and

3 (2) by inserting after subsection (h) the fol-
4 lowing:

5 *“Reinstatement of Entitlement*

6 *“(i)(1)(A) Entitlement to benefits described in sub-*
7 *paragraph (B)(i)(I) shall be reinstated in any case where*
8 *the Commissioner determines that an individual described*
9 *in subparagraph (B) has filed a request for reinstatement*
10 *meeting the requirements of paragraph (2)(A) during the*
11 *period prescribed in subparagraph (C). Reinstatement of*
12 *such entitlement shall be in accordance with the terms of*
13 *this subsection.*

14 *“(B) An individual is described in this subparagraph*
15 *if—*

16 *“(i) prior to the month in which the individual*
17 *files a request for reinstatement—*

18 *“(I) the individual was entitled to benefits*
19 *under this section or section 202 on the basis of*
20 *disability pursuant to an application filed there-*
21 *fore; and*

22 *“(II) such entitlement terminated due to the*
23 *performance of substantial gainful activity;*

24 *“(ii) the individual is under a disability and the*
25 *physical or mental impairment that is the basis for*

1 *the finding of disability is the same as (or related to)*
2 *the physical or mental impairment that was the basis*
3 *for the finding of disability that gave rise to the enti-*
4 *tlement described in clause (i); and*

5 *“(iii) the individual’s disability renders the in-*
6 *dividual unable to perform substantial gainful activ-*
7 *ity.*

8 *“(C)(i) Except as provided in clause (ii), the period*
9 *prescribed in this subparagraph with respect to an indi-*
10 *vidual is 60 consecutive months beginning with the month*
11 *following the most recent month for which the individual*
12 *was entitled to a benefit described in subparagraph*
13 *(B)(i)(I) prior to the entitlement termination described in*
14 *subparagraph (B)(i)(II).*

15 *“(ii) In the case of an individual who fails to file a*
16 *reinstatement request within the period prescribed in clause*
17 *(i), the Commissioner may extend the period if the Commis-*
18 *sioner determines that the individual had good cause for*
19 *the failure to so file.*

20 *“(2)(A)(i) A request for reinstatement shall be filed in*
21 *such form, and containing such information, as the Com-*
22 *missioner may prescribe.*

23 *“(ii) A request for reinstatement shall include express*
24 *declarations by the individual that the individual meets the*

1 requirements specified in clauses (ii) and (iii) of paragraph
2 (1)(B).

3 “(B) A request for reinstatement filed in accordance
4 with subparagraph (A) may constitute an application for
5 benefits in the case of any individual who the Commissioner
6 determines is not entitled to reinstated benefits under this
7 subsection.

8 “(3) In determining whether an individual meets the
9 requirements of paragraph (1)(B)(ii), the provisions of sub-
10 section (f) shall apply.

11 “(4)(A)(i) Subject to clause (ii), entitlement to benefits
12 reinstated under this subsection shall commence with the
13 benefit payable for the month in which a request for rein-
14 statement is filed.

15 “(ii) An individual whose entitlement to a benefit for
16 any month would have been reinstated under this subsection
17 had the individual filed a request for reinstatement before
18 the end of such month shall be entitled to such benefit for
19 such month if such request for reinstatement is filed before
20 the end of the twelfth month immediately succeeding such
21 month.

22 “(B)(i) Subject to clauses (ii) and (iii), the amount
23 of the benefit payable for any month pursuant to the rein-
24 statement of entitlement under this subsection shall be deter-
25 mined in accordance with the provisions of this title.

1 “(ii) For purposes of computing the primary insur-
2 ance amount of an individual whose entitlement to benefits
3 under this section is reinstated under this subsection, the
4 date of onset of the individual’s disability shall be the date
5 of onset used in determining the individual’s most recent
6 period of disability arising in connection with such benefits
7 payable on the basis of an application.

8 “(iii) Benefits under this section or section 202 pay-
9 able for any month pursuant to a request for reinstatement
10 filed in accordance with paragraph (2) shall be reduced by
11 the amount of any provisional benefit paid to such indi-
12 vidual for such month under paragraph (7).

13 “(C) No benefit shall be payable pursuant to an enti-
14 tlement reinstated under this subsection to an individual
15 for any month in which the individual engages in substan-
16 tial gainful activity.

17 “(D) The entitlement of any individual that is rein-
18 stated under this subsection shall end with the benefits pay-
19 able for the month preceding whichever of the following
20 months is the earliest:

21 “(i) The month in which the individual dies.

22 “(ii) The month in which the individual attains
23 retirement age.

24 “(iii) The third month following the month in
25 which the individual’s disability ceases.

1 “(5) *Whenever an individual’s entitlement to benefits*
2 *under this section is reinstated under this subsection, enti-*
3 *tlement to benefits payable on the basis of such individual’s*
4 *wages and self-employment income may be reinstated with*
5 *respect to any person previously entitled to such benefits*
6 *on the basis of an application if the Commissioner deter-*
7 *mines that such person satisfies all the requirements for en-*
8 *tlement to such benefits except requirements related to the*
9 *filing of an application. The provisions of paragraph (4)*
10 *shall apply to the reinstated entitlement of any such person*
11 *to the same extent that they apply to the reinstated entitle-*
12 *ment of such individual.*

13 “(6) *An individual to whom benefits are payable under*
14 *this section or section 202 pursuant to a reinstatement of*
15 *entitlement under this subsection for 24 months (whether*
16 *or not consecutive) shall, with respect to benefits so payable*
17 *after such twenty-fourth month, be deemed for purposes of*
18 *paragraph (1)(B)(i)(I) and the determination, if appro-*
19 *priate, of the termination month in accordance with sub-*
20 *section (a)(1) of this section, or subsection (d)(1), (e)(1),*
21 *or (f)(1) of section 202, to be entitled to such benefits on*
22 *the basis of an application filed therefore.*

23 “(7)(A) *An individual described in paragraph (1)(B)*
24 *who files a request for reinstatement in accordance with the*
25 *provisions of paragraph (2)(A) shall be entitled to provi-*

1 sional benefits payable in accordance with this paragraph,
2 unless the Commissioner determines that the individual
3 does not meet the requirements of paragraph (1)(B)(i) or
4 that the individual's declaration under paragraph
5 (2)(A)(ii) is false. Any such determination by the Commis-
6 sioner shall be final and not subject to review under sub-
7 section (b) or (g) of section 205.

8 “(B) The amount of a provisional benefit for a month
9 shall equal the amount of the last monthly benefit payable
10 to the individual under this title on the basis of an applica-
11 tion increased by an amount equal to the amount, if any,
12 by which such last monthly benefit would have been in-
13 creased as a result of the operation of section 215(i).

14 “(C)(i) Provisional benefits shall begin with the month
15 in which a request for reinstatement is filed in accordance
16 with paragraph (2)(A).

17 “(ii) Provisional benefits shall end with the earliest
18 of—

19 “(I) the month in which the Commissioner
20 makes a determination regarding the individual's en-
21 titlement to reinstated benefits;

22 “(II) the fifth month following the month de-
23 scribed in clause (i);

24 “(III) the month in which the individual per-
25 forms substantial gainful activity; or

13 (b) *SSI BENEFITS.*—

17 *“Reinstatement of Eligibility on the Basis of Blindness or*
18 *Disability*

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1 “(B) *An individual is described in this subparagraph*
2 *if—*

3 “(i) *prior to the month in which the individual*
4 *files a request for reinstatement—*

5 “(I) *the individual was eligible for benefits*
6 *under this title on the basis of blindness or dis-*
7 *ability pursuant to an application filed there-*
8 *fore; and*

9 “(II) *the individual thereafter was ineligible*
10 *for such benefits due to earned income (or earned*
11 *and unearned income) for a period of 12 or more*
12 *consecutive months;*

13 “(ii) *the individual is blind or disabled and the*
14 *physical or mental impairment that is the basis for*
15 *the finding of blindness or disability is the same as*
16 *(or related to) the physical or mental impairment*
17 *that was the basis for the finding of blindness or dis-*
18 *ability that gave rise to the eligibility described in*
19 *clause (i);*

20 “(iii) *the individual’s blindness or disability*
21 *renders the individual unable to perform substantial*
22 *gainful activity; and*

23 “(iv) *the individual satisfies the nonmedical re-*
24 *quirements for eligibility for benefits under this title.*

1 “(C)(i) *Except as provided in clause (ii), the period*
2 *prescribed in this subparagraph with respect to an indi-*
3 *vidual is 60 consecutive months beginning with the month*
4 *following the most recent month for which the individual*
5 *was eligible for a benefit under this title (including section*
6 *1619) prior to the period of ineligibility described in sub-*
7 *paragraph (B)(i)(II).*

8 “(ii) *In the case of an individual who fails to file a*
9 *reinstatement request within the period prescribed in clause*
10 *(i), the Commissioner may extend the period if the Commis-*
11 *sioner determines that the individual had good cause for*
12 *the failure to so file.*

13 “(2)(A)(i) *A request for reinstatement shall be filed in*
14 *such form, and containing such information, as the Com-*
15 *missioner may prescribe.*

16 “(ii) *A request for reinstatement shall include express*
17 *declarations by the individual that the individual meets the*
18 *requirements specified in clauses (ii) through (iv) of para-*
19 *graph (1)(B).*

20 “(B) *A request for reinstatement filed in accordance*
21 *with subparagraph (A) may constitute an application for*
22 *benefits in the case of any individual who the Commissioner*
23 *determines is not eligible for reinstated benefits under this*
24 *subsection.*

1 “(3) *In determining whether an individual meets the*
2 *requirements of paragraph (1)(B)(ii), the provisions of sec-*
3 *tion 1614(a)(4) shall apply.*

4 “(4)(A) *Eligibility for benefits reinstated under this*
5 *subsection shall commence with the benefit payable for the*
6 *month following the month in which a request for reinstate-*
7 *ment is filed.*

8 “(B)(i) *Subject to clause (ii), the amount of the benefit*
9 *payable for any month pursuant to the reinstatement of eli-*
10 *gibility under this subsection shall be determined in accord-*
11 *ance with the provisions of this title.*

12 “(ii) *The benefit under this title payable for any*
13 *month pursuant to a request for reinstatement filed in ac-*
14 *cordance with paragraph (2) shall be reduced by the*
15 *amount of any provisional benefit paid to such individual*
16 *for such month under paragraph (7).*

17 “(C) *Except as otherwise provided in this subsection,*
18 *eligibility for benefits under this title reinstated pursuant*
19 *to a request filed under paragraph (2) shall be subject to*
20 *the same terms and conditions as eligibility established pur-*
21 *suant to an application filed therefore.*

22 “(5) *Whenever an individual’s eligibility for benefits*
23 *under this title is reinstated under this subsection, eligi-*
24 *bility for such benefits shall be reinstated with respect to*
25 *the individual’s spouse if such spouse was previously an*

1 eligible spouse of the individual under this title and the
2 Commissioner determines that such spouse satisfies all the
3 requirements for eligibility for such benefits except require-
4 ments related to the filing of an application. The provisions
5 of paragraph (4) shall apply to the reinstated eligibility
6 of the spouse to the same extent that they apply to the rein-
7 stated eligibility of such individual.

8 “(6) An individual to whom benefits are payable under
9 this title pursuant to a reinstatement of eligibility under
10 this subsection for twenty-four months (whether or not con-
11 secutive) shall, with respect to benefits so payable after such
12 twenty-fourth month, be deemed for purposes of paragraph
13 (1)(B)(i)(I) to be eligible for such benefits on the basis of
14 an application filed therefore.

15 “(7)(A) An individual described in paragraph (1)(B)
16 who files a request for reinstatement in accordance with the
17 provisions of paragraph (2)(A) shall be eligible for provi-
18 sional benefits payable in accordance with this paragraph,
19 unless the Commissioner determines that the individual
20 does not meet the requirements of paragraph (1)(B)(i) or
21 that the individual’s declaration under paragraph
22 (2)(A)(ii) is false. Any such determination by the Commis-
23 sioner shall be final and not subject to review under para-
24 graph (1) or (3) of subsection (c).

1 “(B)(i) *Except as otherwise provided in clause (ii), the*
2 *amount of a provisional benefit for a month shall equal the*
3 *amount of the monthly benefit that would be payable to an*
4 *eligible individual under this title with the same kind and*
5 *amount of income.*

6 “(ii) *If the individual has a spouse who was previously*
7 *an eligible spouse of the individual under this title and the*
8 *Commissioner determines that such spouse satisfies all the*
9 *requirements of section 1614(b) except requirements related*
10 *to the filing of an application, the amount of a provisional*
11 *benefit for a month shall equal the amount of the month*
12 *benefit that would be payable to an eligible individual and*
13 *eligible spouse under this title with the same kind and*
14 *amount of income.*

15 “(C)(i) *Provisional benefits shall begin with the month*
16 *following the month in which a request for reinstatement*
17 *is filed in accordance with paragraph (2)(A).*

18 “(ii) *Provisional benefits shall end with the earliest*
19 *of—*

20 “(I) *the month in which the Commissioner*
21 *makes a determination regarding the individual’s eli-*
22 *gibility for reinstated benefits;*

23 “(II) *the fifth month following the month for*
24 *which provisional benefits are first payable under*
25 *clause (i); or*

1 “(III) the month in which the Commissioner de-
 2 termines that the individual does not meet the re-
 3 quirements of paragraph (1)(B)(i) or that the indi-
 4 vidual’s declaration made in accordance with para-
 5 graph (2)(A)(ii) is false.

6 “(D) In any case in which the Commissioner deter-
 7 mines that an individual is not eligible for reinstated bene-
 8 fits, any provisional benefits paid to the individual under
 9 this paragraph shall not be subject to recovery as an over-
 10 payment unless the Commissioner determines that the indi-
 11 vidual knew or should have known that the individual did
 12 not meet the requirements of paragraph (1)(B).

13 “(8) For purposes of this subsection other than para-
 14 graph (7), the term ‘benefits under this title’ includes State
 15 supplementary payments made pursuant to an agreement
 16 under section 1616(a) or section 212(b) of Public Law 93–
 17 66.”.

18 (2) CONFORMING AMENDMENTS.—

19 (A) Section 1631(j)(1) of such Act (42
 20 U.S.C. 1383(j)(1)) is amended by striking the pe-
 21 riod and inserting “, or has filed a request for
 22 reinstatement of eligibility under subsection
 23 (p)(2) and been determined to be eligible for re-
 24 instatement.”.

1 (B) *Section 1631(j)(2)(A)(i)(I) of such Act*
 2 (42 U.S.C. 1383(j)(2)(A)(i)(I)) *is amended by*
 3 *inserting “(other than pursuant to a request for*
 4 *reinstatement under subsection (p))” after “eligi-*
 5 *ble”.*

6 (c) *EFFECTIVE DATE.—*

7 (1) *IN GENERAL.—The amendments made by*
 8 *this section shall take effect on the first day of the*
 9 *thirteenth month beginning after the date of enact-*
 10 *ment of this Act.*

11 (2) *LIMITATION.—No benefit shall be payable*
 12 *under title II or XVI of the Social Security Act on*
 13 *the basis of a request for reinstatement filed under*
 14 *section 223(i) or 1631(p) of such Act before the effec-*
 15 *tive date described in paragraph (1).*

16 ***Subtitle C—Work Incentives Plan-***
 17 ***ning, Assistance, and Outreach***

18 ***SEC. 221. WORK INCENTIVES OUTREACH PROGRAM.***

19 *Part A of title XI of the Social Security Act (42 U.S.C.*
 20 *1301 et seq.), as amended by section 201, is amended by*
 21 *adding after section 1148 the following:*

22 “*WORK INCENTIVES OUTREACH PROGRAM*

23 “*SEC. 1149. (a) ESTABLISHMENT.—*

24 “*(1) IN GENERAL.—The Commissioner, in con-*
 25 *sultation with the Work Incentives Advisory Panel es-*
 26 *tablished under section 201(f) of the Work Incentives*

1 *Improvement Act of 1999, shall establish a commu-*
2 *nity-based work incentives planning and assistance*
3 *program for the purpose of disseminating accurate in-*
4 *formation to disabled beneficiaries on work incentives*
5 *programs and issues related to such programs.*

6 “(2) GRANTS, COOPERATIVE AGREEMENTS, CON-
7 TRACTS, AND OUTREACH.—Under the program estab-
8 lished under this section, the Commissioner shall—

9 “(A) establish a competitive program of
10 grants, cooperative agreements, or contracts to
11 provide benefits planning and assistance, includ-
12 ing information on the availability of protection
13 and advocacy services, to disabled beneficiaries,
14 including individuals participating in the Ticket
15 to Work and Self-Sufficiency Program estab-
16 lished under section 1148, the program estab-
17 lished under section 1619, and other programs
18 that are designed to encourage disabled bene-
19 ficiaries to work;

20 “(B) conduct directly, or through grants, co-
21 operative agreements, or contracts, ongoing out-
22 reach efforts to disabled beneficiaries (and to the
23 families of such beneficiaries) who are poten-
24 tially eligible to participate in Federal or State

1 *work incentive programs that are designed to as-*
2 *sist disabled beneficiaries to work, including—*

3 *“(i) preparing and disseminating in-*
4 *formation explaining such programs; and*

5 *“(ii) working in cooperation with other*
6 *Federal, State, and private agencies and*
7 *nonprofit organizations that serve disabled*
8 *beneficiaries, and with agencies and organi-*
9 *zations that focus on vocational rehabilita-*
10 *tion and work-related training and coun-*
11 *seling;*

12 *“(C) establish a corps of trained, accessible,*
13 *and responsive work incentives specialists within*
14 *the Social Security Administration who will spe-*
15 *cialize in disability work incentives under titles*
16 *II and XVI for the purpose of disseminating ac-*
17 *curate information with respect to inquiries and*
18 *issues relating to work incentives to—*

19 *“(i) disabled beneficiaries;*

20 *“(ii) benefit applicants under titles II*
21 *and XVI; and*

22 *“(iii) individuals or entities awarded*
23 *grants under subparagraphs (A) or (B);*
24 *and*

25 *“(D) provide—*

1 “(i) training for work incentives spe-
2 cialists and individuals providing planning
3 assistance described in subparagraph (C);
4 and

5 “(ii) technical assistance to organiza-
6 tions and entities that are designed to en-
7 courage disabled beneficiaries to return to
8 work.

9 “(3) COORDINATION WITH OTHER PROGRAMS.—

10 *The responsibilities of the Commissioner established*
11 *under this section shall be coordinated with other*
12 *public and private programs that provide informa-*
13 *tion and assistance regarding rehabilitation services*
14 *and independent living supports and benefits plan-*
15 *ning for disabled beneficiaries including the program*
16 *under section 1619, the plans for achieving self-sup-*
17 *port program (PASS), and any other Federal or*
18 *State work incentives programs that are designed to*
19 *assist disabled beneficiaries, including educational*
20 *agencies that provide information and assistance re-*
21 *garding rehabilitation, school-to-work programs, tran-*
22 *sition services (as defined in, and provided in accord-*
23 *ance with, the Individuals with Disabilities Edu-*
24 *cation Act (20 U.S.C. 1400 et seq.)), a one-stop deliv-*

1 *ery system established under subtitle B of title I of the*
 2 *Workforce Investment Act of 1998, and other services.*

3 “(b) *CONDITIONS.—*

4 “(1) *SELECTION OF ENTITIES.—*

5 “(A) *APPLICATION.—An entity shall submit*
 6 *an application for a grant, cooperative agree-*
 7 *ment, or contract to provide benefits planning*
 8 *and assistance to the Commissioner at such time,*
 9 *in such manner, and containing such informa-*
 10 *tion as the Commissioner may determine is nec-*
 11 *essary to meet the requirements of this section.*

12 “(B) *STATEWIDENESS.—The Commissioner*
 13 *shall ensure that the planning, assistance, and*
 14 *information described in paragraph (2) shall be*
 15 *available on a statewide basis.*

16 “(C) *ELIGIBILITY OF STATES AND PRIVATE*
 17 *ORGANIZATIONS.—*

18 “(i) *IN GENERAL.—The Commissioner*
 19 *may award a grant, cooperative agreement,*
 20 *or contract under this section to a State or*
 21 *a private agency or organization (other*
 22 *than Social Security Administration Field*
 23 *Offices and the State agency administering*
 24 *the State medicaid program under title*
 25 *XIX, including any agency or entity de-*

1 scribed in clause (ii), that the Commissioner
2 determines is qualified to provide the plan-
3 ning, assistance, and information described
4 in paragraph (2)).

5 “(ii) AGENCIES AND ENTITIES DE-
6 SCRIBED.—The agencies and entities de-
7 scribed in this clause are the following:

8 “(I) Any public or private agency
9 or organization (including Centers for
10 Independent Living established under
11 title VII of the Rehabilitation Act of
12 1973, protection and advocacy organi-
13 zations, client assistance programs es-
14 tablished in accordance with section
15 112 of the Rehabilitation Act of 1973,
16 and State Developmental Disabilities
17 Councils established in accordance
18 with section 124 of the Developmental
19 Disabilities Assistance and Bill of
20 Rights Act (42 U.S.C. 6024)) that the
21 Commissioner determines satisfies the
22 requirements of this section.

23 “(II) The State agency admin-
24 istering the State program funded
25 under part A of title IV.

1 “(D) *EXCLUSION FOR CONFLICT OF INTER-*
2 *EST.—The Commissioner may not award a*
3 *grant, cooperative agreement, or contract under*
4 *this section to any entity that the Commissioner*
5 *determines would have a conflict of interest if the*
6 *entity were to receive a grant, cooperative agree-*
7 *ment, or contract under this section.*

8 “(2) *SERVICES PROVIDED.—A recipient of a*
9 *grant, cooperative agreement, or contract to provide*
10 *benefits planning and assistance shall select individ-*
11 *uals who will act as planners and provide informa-*
12 *tion, guidance, and planning to disabled beneficiaries*
13 *on the—*

14 “(A) *availability and interrelation of any*
15 *Federal or State work incentives programs de-*
16 *signed to assist disabled beneficiaries that the in-*
17 *dividual may be eligible to participate in;*

18 “(B) *adequacy of any health benefits cov-*
19 *erage that may be offered by an employer of the*
20 *individual and the extent to which other health*
21 *benefits coverage may be available to the indi-*
22 *vidual; and*

23 “(C) *availability of protection and advocacy*
24 *services for disabled beneficiaries and how to ac-*
25 *cess such services.*

1 “(3) *AMOUNT OF GRANTS, COOPERATIVE AGREE-*
2 *MENTS, OR CONTRACTS.—*

3 “(A) *BASED ON POPULATION OF DISABLED*
4 *BENEFICIARIES.—Subject to subparagraph (B),*
5 *the Commissioner shall award a grant, coopera-*
6 *tive agreement, or contract under this section to*
7 *an entity based on the percentage of the popu-*
8 *lation of the State where the entity is located*
9 *who are disabled beneficiaries.*

10 “(B) *LIMITATION PER GRANT.—No entity*
11 *shall receive a grant, cooperative agreement, or*
12 *contract under this section for a fiscal year that*
13 *is less than \$50,000 or more than \$300,000.*

14 “(ii) *TOTAL AMOUNT FOR ALL GRANTS,*
15 *COOPERATIVE AGREEMENTS, AND CON-*
16 *TRACTS.—The total amount of all grants,*
17 *cooperative agreements, and contracts*
18 *awarded under this section for a fiscal year*
19 *may not exceed \$23,000,000.*

20 “(4) *ALLOCATION OF COSTS.—The costs of car-*
21 *rying out this section shall be paid from amounts*
22 *made available for the administration of title II and*
23 *amounts made available for the administration of*
24 *title XVI, and shall be allocated among those amounts*
25 *as appropriate.*

1 “(c) *DEFINITIONS.—In this section:*

2 “(1) *COMMISSIONER.—The term ‘Commissioner’*
3 *means the Commissioner of Social Security.*

4 “(2) *DISABLED BENEFICIARY.—The term ‘dis-*
5 *abled beneficiary’ has the meaning given that term in*
6 *section 1148(k)(2).*

7 “(d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
8 *authorized to be appropriated to carry out this section*
9 *\$23,000,000 for each of fiscal years 2000 through 2004.”.*

10 ***SEC. 222. STATE GRANTS FOR WORK INCENTIVES ASSIST-***
11 ***ANCE TO DISABLED BENEFICIARIES.***

12 *Part A of title XI of the Social Security Act (42 U.S.C.*
13 *1301 et seq.), as amended by section 221, is amended by*
14 *adding after section 1149 the following:*

15 “*STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO*
16 *DISABLED BENEFICIARIES*

17 “*SEC. 1150. (a) IN GENERAL.—Subject to subsection*
18 *(c), the Commissioner may make payments in each State*
19 *to the protection and advocacy system established pursuant*
20 *to part C of title I of the Developmental Disabilities Assist-*
21 *ance and Bill of Rights Act (42 U.S.C. 6041 et seq.) for*
22 *the purpose of providing services to disabled beneficiaries.*

23 “(b) *SERVICES PROVIDED.—Services provided to dis-*
24 *abled beneficiaries pursuant to a payment made under this*
25 *section may include—*

1 “(1) *information and advice about obtaining vo-*
 2 *cational rehabilitation and employment services; and*

3 “(2) *advocacy or other services that a disabled*
 4 *beneficiary may need to secure or regain gainful em-*
 5 *ployment.*

6 “(c) *APPLICATION.—In order to receive payments*
 7 *under this section, a protection and advocacy system shall*
 8 *submit an application to the Commissioner, at such time,*
 9 *in such form and manner, and accompanied by such infor-*
 10 *mation and assurances as the Commissioner may require.*

11 “(d) *AMOUNT OF PAYMENTS.—*

12 “(1) *IN GENERAL.—Subject to the amount ap-*
 13 *propriated for a fiscal year for making payments*
 14 *under this section, a protection and advocacy system*
 15 *shall not be paid an amount that is less than—*

16 “(A) *in the case of a protection and advo-*
 17 *cacy system located in a State (including the*
 18 *District of Columbia and Puerto Rico) other*
 19 *than Guam, American Samoa, the United States*
 20 *Virgin Islands, and the Commonwealth of the*
 21 *Northern Mariana Islands, the greater of—*

22 “(i) *\$100,000; or*

23 “(ii) *$\frac{1}{3}$ of 1 percent of the amount*
 24 *available for payments under this section;*
 25 *and*

1 “(B) in the case of a protection and advoca-
2 cacy system located in Guam, American Samoa,
3 the United States Virgin Islands, and the Com-
4 monwealth of the Northern Mariana Islands,
5 \$50,000.

6 “(2) INFLATION ADJUSTMENT.—For each fiscal
7 year in which the total amount appropriated to carry
8 out this section exceeds the total amount appropriated
9 to carry out this section in the preceding fiscal year,
10 the Commissioner shall increase each minimum pay-
11 ment under subparagraphs (A) and (B) of paragraph
12 (1) by a percentage equal to the percentage increase
13 in the total amount appropriated to carry out this
14 section between the preceding fiscal year and the fis-
15 cal year involved.

16 “(e) ANNUAL REPORT.—Each protection and advocacy
17 system that receives a payment under this section shall sub-
18 mit an annual report to the Commissioner and the Work
19 Incentives Advisory Panel established under section 201(f)
20 of the Work Incentives Improvement Act of 1999 on the serv-
21 ices provided to individuals by the system.

22 “(f) FUNDING.—

23 “(1) ALLOCATION OF PAYMENTS.—Payments
24 under this section shall be made from amounts made
25 available for the administration of title II and

1 *amounts made available for the administration of*
2 *title XVI, and shall be allocated among those amounts*
3 *as appropriate.*

4 “(2) *CARRYOVER.*—*Any amounts allotted for*
5 *payment to a protection and advocacy system under*
6 *this section for a fiscal year shall remain available*
7 *for payment to or on behalf of the protection and ad-*
8 *vocacy system until the end of the succeeding fiscal*
9 *year.*

10 “(g) *DEFINITIONS.*—*In this section:*

11 “(1) *COMMISSIONER.*—*The term ‘Commissioner’*
12 *means the Commissioner of Social Security.*

13 “(2) *DISABLED BENEFICIARY.*—*The term ‘dis-*
14 *abled beneficiary’ has the meaning given that term in*
15 *section 1148(k)(2).*

16 “(3) *PROTECTION AND ADVOCACY SYSTEM.*—*The*
17 *term ‘protection and advocacy system’ means a pro-*
18 *tection and advocacy system established pursuant to*
19 *part C of title I of the Developmental Disabilities As-*
20 *sistance and Bill of Rights Act (42 U.S.C. 6041 et*
21 *seq.).*

22 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
23 *authorized to be appropriated to carry out this section*
24 *\$7,000,000 for each of fiscal years 2000 through 2004.”.*

1 ***TITLE III—DEMONSTRATION***
2 ***PROJECTS AND STUDIES***

3 ***SEC. 301. PERMANENT EXTENSION OF DISABILITY INSUR-***
4 ***ANCE PROGRAM DEMONSTRATION PROJECT***
5 ***AUTHORITY.***

6 *(a) PERMANENT EXTENSION OF AUTHORITY.—Title II*
7 *of the Social Security Act (42 U.S.C. 401 et seq.) is amend-*
8 *ed by adding at the end the following:*

9 ***“DEMONSTRATION PROJECT AUTHORITY***

10 ***“SEC. 234. (a) AUTHORITY.—***

11 ***“(1) IN GENERAL.—The Commissioner of Social***
12 *Security (in this section referred to as the ‘Commis-*
13 *sioner’) shall develop and carry out experiments and*
14 *demonstration projects designed to determine the rel-*
15 *ative advantages and disadvantages of—*

16 ***“(A) various alternative methods of treating***
17 *the work activity of individuals entitled to dis-*
18 *ability insurance benefits under section 223 or to*
19 *monthly insurance benefits under section 202*
20 *based on such individual’s disability (as defined*
21 *in section 223(d)), including such methods as a*
22 *reduction in benefits based on earnings, designed*
23 *to encourage the return to work of such individ-*
24 *uals;*

1 “(B) altering other limitations and condi-
 2 tions applicable to such individuals (including
 3 lengthening the trial work period (as defined in
 4 section 222(c)), altering the 24-month waiting
 5 period for hospital insurance benefits under sec-
 6 tion 226, altering the manner in which the pro-
 7 gram under this title is administered, earlier re-
 8 ferral of such individuals for rehabilitation, and
 9 greater use of employers and others to develop,
 10 perform, and otherwise stimulate new forms of
 11 rehabilitation); and

12 “(C) implementing sliding scale benefit off-
 13 sets using variations in—

14 “(i) the amount of the offset as a pro-
 15 portion of earned income;

16 “(ii) the duration of the offset period;
 17 and

18 “(iii) the method of determining the
 19 amount of income earned by such individ-
 20 uals,

21 to the end that savings will accrue to the Trust
 22 Funds, or to otherwise promote the objectives or facili-
 23 tate the administration of this title.

24 “(2) *AUTHORITY FOR EXPANSION OF SCOPE.*—
 25 The Commissioner may expand the scope of any such

1 *experiment or demonstration project to include any*
2 *group of applicants for benefits under the program es-*
3 *tablished under this title with impairments that rea-*
4 *sonably may be presumed to be disabling for purposes*
5 *of such demonstration project, and may limit any*
6 *such demonstration project to any such group of ap-*
7 *plicants, subject to the terms of such demonstration*
8 *project which shall define the extent of any such pre-*
9 *sumption.*

10 “(b) *REQUIREMENTS.—The experiments and dem-*
11 *onstration projects developed under subsection (a) shall be*
12 *of sufficient scope and shall be carried out on a wide enough*
13 *scale to permit a thorough evaluation of the alternative*
14 *methods under consideration while giving assurance that*
15 *the results derived from the experiments and projects will*
16 *obtain generally in the operation of the disability insurance*
17 *program under this title without committing such program*
18 *to the adoption of any particular system either locally or*
19 *nationally.*

20 “(c) *AUTHORITY TO WAIVE COMPLIANCE WITH BENE-*
21 *FITS REQUIREMENTS.—In the case of any experiment or*
22 *demonstration project conducted under subsection (a), the*
23 *Commissioner may waive compliance with the benefit re-*
24 *quirements of this title, and the Secretary may (upon the*
25 *request of the Commissioner) waive compliance with the*

1 *benefits requirements of title XVIII, insofar as is necessary*
2 *for a thorough evaluation of the alternative methods under*
3 *consideration. No such experiment or project shall be actu-*
4 *ally placed in operation unless at least 90 days prior there-*
5 *to a written report, prepared for purposes of notification*
6 *and information only and containing a full and complete*
7 *description thereof, has been transmitted by the Commis-*
8 *sioner to the Committee on Ways and Means of the House*
9 *of Representatives and to the Committee on Finance of the*
10 *Senate. Periodic reports on the progress of such experiments*
11 *and demonstration projects shall be submitted by the Com-*
12 *missioner to such committees. When appropriate, such re-*
13 *ports shall include detailed recommendations for changes in*
14 *administration or law, or both, to carry out the objectives*
15 *stated in subsection (a).*

16 “(d) *REPORTS.*—

17 “(1) *INTERIM REPORTS.*—On or before June 9 of
18 *each year, the Commissioner shall submit to the Com-*
19 *mittee on Ways and Means of the House of Represent-*
20 *atives and to the Committee on Finance of the Senate*
21 *an interim report on the progress of the experiments*
22 *and demonstration projects carried out under this*
23 *subsection together with any related data and mate-*
24 *rials that the Commissioner may consider appro-*
25 *priate.*

1 “(2) *FINAL REPORTS*.—Not later than 90 days
 2 after the termination of any experiment or dem-
 3 onstration project carried out under this section, the
 4 Commissioner shall submit to the Committee on Ways
 5 and Means of the House of Representatives and to the
 6 Committee on Finance of the Senate a final report
 7 with respect to that experiment and demonstration
 8 project.”.

9 (b) *CONFORMING AMENDMENTS; TRANSFER OF PRIOR*
 10 *AUTHORITY*.—

11 (1) *CONFORMING AMENDMENTS*.—

12 (A) *REPEAL OF PRIOR AUTHORITY*.—Para-
 13 graphs (1) through (4) of subsection (a) and sub-
 14 section (c) of section 505 of the Social Security
 15 Disability Amendments of 1980 (42 U.S.C. 1310
 16 note) are repealed.

17 (B) *CONFORMING AMENDMENT REGARDING*
 18 *FUNDING*.—Section 201(k) of the Social Security
 19 Act (42 U.S.C. 401(k)) is amended by striking
 20 “section 505(a) of the Social Security Disability
 21 Amendments of 1980” and inserting “section
 22 234”.

23 (2) *TRANSFER OF PRIOR AUTHORITY*.—With re-
 24 spect to any experiment or demonstration project
 25 being conducted under section 505(a) of the Social Se-

1 *curity Disability Amendments of 1980 (42 U.S.C.*
 2 *1310 note) as of the date of enactment of this Act, the*
 3 *authority to conduct such experiment or demonstra-*
 4 *tion project (including the terms and conditions ap-*
 5 *plicable to the experiment or demonstration project)*
 6 *shall be treated as if that authority (and such terms*
 7 *and conditions) had been established under section*
 8 *234 of the Social Security Act, as added by subsection*
 9 *(a).*

10 **SEC. 302. DEMONSTRATION PROJECTS PROVIDING FOR RE-**
 11 **DUCTIONS IN DISABILITY INSURANCE BENE-**
 12 **FITS BASED ON EARNINGS.**

13 *(a) AUTHORITY.—The Commissioner of Social Secu-*
 14 *urity shall conduct demonstration projects for the purpose*
 15 *of evaluating, through the collection of data, a program for*
 16 *title II disability beneficiaries (as defined in section*
 17 *1148(k)(3) of the Social Security Act) under which each*
 18 *\$1 of benefits payable under section 223, or under section*
 19 *202 based on the beneficiary's disability, is reduced for each*
 20 *\$2 of such beneficiary's earnings that is above a level to*
 21 *be determined by the Commissioner. Such projects shall be*
 22 *conducted at a number of localities which the Commissioner*
 23 *shall determine is sufficient to adequately evaluate the ap-*
 24 *propriateness of national implementation of such a pro-*
 25 *gram. Such projects shall identify reductions in Federal ex-*

1 *penditures that may result from the permanent implemen-*
 2 *tation of such a program.*

3 *(b) SCOPE AND SCALE AND MATTERS TO BE DETER-*
 4 *MINED.—*

5 *(1) IN GENERAL.—The demonstration projects*
 6 *developed under subsection (a) shall be of sufficient*
 7 *duration, shall be of sufficient scope, and shall be car-*
 8 *ried out on a wide enough scale to permit a thorough*
 9 *evaluation of the project to determine—*

10 *(A) the effects, if any, of induced entry into*
 11 *the project and reduced exit from the project;*

12 *(B) the extent, if any, to which the project*
 13 *being tested is affected by whether it is in oper-*
 14 *ation in a locality within an area under the ad-*
 15 *ministration of the Ticket to Work and Self-Suf-*
 16 *ficiency Program established under section 1148*
 17 *of the Social Security Act; and*

18 *(C) the savings that accrue to the Federal*
 19 *Old-Age and Survivors Insurance Trust Fund,*
 20 *the Federal Disability Insurance Trust Fund,*
 21 *and other Federal programs under the project*
 22 *being tested.*

23 *The Commissioner shall take into account advice pro-*
 24 *vided by the Work Incentives Advisory Panel pursu-*
 25 *ant to section 201(f)(2)(B)(ii).*

1 (2) *ADDITIONAL MATTERS.*—*The Commissioner*
2 *shall also determine with respect to each project—*

3 *(A) the annual cost (including net cost) of*
4 *the project and the annual cost (including net*
5 *cost) that would have been incurred in the ab-*
6 *sence of the project;*

7 *(B) the determinants of return to work, in-*
8 *cluding the characteristics of the beneficiaries*
9 *who participate in the project; and*

10 *(C) the employment outcomes, including*
11 *wages, occupations, benefits, and hours worked,*
12 *of beneficiaries who return to work as a result of*
13 *participation in the project.*

14 *The Commissioner may include within the matters*
15 *evaluated under the project the merits of trial work*
16 *periods and periods of extended eligibility.*

17 *(c) WAIVERS.*—*The Commissioner may waive compli-*
18 *ance with the benefit provisions of title II of the Social Se-*
19 *curity Act, and the Secretary of Health and Human Serv-*
20 *ices may waive compliance with the benefit requirements*
21 *of title XVIII of that Act, insofar as is necessary for a thor-*
22 *ough evaluation of the alternative methods under consider-*
23 *ation. No such project shall be actually placed in operation*
24 *unless at least 90 days prior thereto a written report, pre-*
25 *pared for purposes of notification and information only*

1 *and containing a full and complete description thereof, has*
2 *been transmitted by the Commissioner to the Committee on*
3 *Ways and Means of the House of Representatives and to*
4 *the Committee on Finance of the Senate. Periodic reports*
5 *on the progress of such projects shall be submitted by the*
6 *Commissioner to such committees. When appropriate, such*
7 *reports shall include detailed recommendations for changes*
8 *in administration or law, or both, to carry out the objectives*
9 *stated in subsection (a).*

10 *(d) INTERIM REPORTS.—Not later than 2 years after*
11 *the date of enactment of this Act, and annually thereafter,*
12 *the Commissioner of Social Security shall submit to Con-*
13 *gress an interim report on the progress of the demonstration*
14 *projects carried out under this subsection together with any*
15 *related data and materials that the Commissioner of Social*
16 *Security may consider appropriate.*

17 *(e) FINAL REPORT.—The Commissioner of Social Se-*
18 *curity shall submit to Congress a final report with respect*
19 *to all demonstration projects carried out under this section*
20 *not later than 1 year after their completion.*

21 *(f) EXPENDITURES.—Expenditures made for dem-*
22 *onstration projects under this section shall be made from*
23 *the Federal Disability Insurance Trust Fund and the Fed-*
24 *eral Old-Age and Survivors Insurance Trust Fund, as de-*
25 *termined appropriate by the Commissioner of Social Secu-*

1 rity, and from the Federal Hospital Insurance Trust Fund
 2 and the Federal Supplementary Medical Insurance Trust
 3 Fund, as determined appropriate by the Secretary of
 4 Health and Human Services, to the extent provided in ad-
 5 vance in appropriation Acts.

6 **SEC. 303. STUDIES AND REPORTS.**

7 (a) *STUDY BY GENERAL ACCOUNTING OFFICE OF EX-*
 8 *ISTING DISABILITY-RELATED EMPLOYMENT INCENTIVES.—*

9 (1) *STUDY.*—As soon as practicable after the
 10 date of enactment of this Act, the Comptroller General
 11 of the United States shall undertake a study to assess
 12 existing tax credits and other disability-related em-
 13 ployment incentives under the Americans with Dis-
 14 abilities Act of 1990 and other Federal laws. In such
 15 study, the Comptroller General shall specifically ad-
 16 dress the extent to which such credits and other incen-
 17 tives would encourage employers to hire and retain
 18 individuals with disabilities.

19 (2) *REPORT.*—Not later than 3 years after the
 20 date of enactment of this Act, the Comptroller General
 21 shall transmit to the Committee on Ways and Means
 22 of the House of Representatives and the Committee on
 23 Finance of the Senate a written report presenting the
 24 results of the Comptroller General's study conducted
 25 pursuant to this subsection, together with such rec-

1 ommendations for legislative or administrative
2 changes as the Comptroller General determines are
3 appropriate.

4 (b) *STUDY BY GENERAL ACCOUNTING OFFICE OF EX-*
5 *ISTING COORDINATION OF THE DI AND SSI PROGRAMS AS*
6 *THEY RELATE TO INDIVIDUALS ENTERING OR LEAVING*
7 *CONCURRENT ENTITLEMENT.—*

8 (1) *STUDY.—As soon as practicable after the*
9 *date of enactment of this Act, the Comptroller General*
10 *of the United States shall undertake a study to evalu-*
11 *ate the coordination under current law of the dis-*
12 *ability insurance program under title II of the Social*
13 *Security Act and the supplemental security income*
14 *program under title XVI of that Act, as such pro-*
15 *grams relate to individuals entering or leaving con-*
16 *current entitlement under such programs. In such*
17 *study, the Comptroller General shall specifically ad-*
18 *dress the effectiveness of work incentives under such*
19 *programs with respect to such individuals and the ef-*
20 *fectiveness of coverage of such individuals under titles*
21 *XVIII and XIX of the Social Security Act.*

22 (2) *REPORT.—Not later than 3 years after the*
23 *date of enactment of this Act, the Comptroller General*
24 *shall transmit to the Committee on Ways and Means*
25 *of the House of Representatives and the Committee on*

1 *Finance of the Senate a written report presenting the*
2 *results of the Comptroller General's study conducted*
3 *pursuant to this subsection, together with such rec-*
4 *ommendations for legislative or administrative*
5 *changes as the Comptroller General determines are*
6 *appropriate.*

7 *(c) STUDY BY GENERAL ACCOUNTING OFFICE OF THE*
8 *IMPACT OF THE SUBSTANTIAL GAINFUL ACTIVITY LIMIT ON*
9 *RETURN TO WORK.—*

10 *(1) STUDY.—As soon as practicable after the*
11 *date of enactment of this Act, the Comptroller General*
12 *of the United States shall undertake a study of the*
13 *substantial gainful activity level applicable as of that*
14 *date to recipients of benefits under section 223 of the*
15 *Social Security Act (42 U.S.C. 423) and under sec-*
16 *tion 202 of that Act (42 U.S.C. 402) on the basis of*
17 *a recipient having a disability, and the effect of such*
18 *level as a disincentive for those recipients to return*
19 *to work. In the study, the Comptroller General also*
20 *shall address the merits of increasing the substantial*
21 *gainful activity level applicable to such recipients of*
22 *benefits and the rationale for not yearly indexing that*
23 *level to inflation.*

24 *(2) REPORT.—Not later than 2 years after the*
25 *date of enactment of this Act, the Comptroller General*

1 *shall transmit to the Committee on Ways and Means*
 2 *of the House of Representatives and the Committee on*
 3 *Finance of the Senate a written report presenting the*
 4 *results of the Comptroller General's study conducted*
 5 *pursuant to this subsection, together with such rec-*
 6 *ommendations for legislative or administrative*
 7 *changes as the Comptroller General determines are*
 8 *appropriate.*

9 *(d) REPORT ON DISREGARDS UNDER THE DI AND SSI*
 10 *PROGRAMS.—Not later than 90 days after the date of enact-*
 11 *ment of this Act, the Commissioner of Social Security shall*
 12 *submit to the Committee on Ways and Means of the House*
 13 *of Representatives and the Committee on Finance of the*
 14 *Senate a report that—*

15 *(1) identifies all income, assets, and resource dis-*
 16 *regards (imposed under statutory or regulatory au-*
 17 *thority) that are applicable to individuals receiving*
 18 *benefits under title II or XVI of the Social Security*
 19 *Act (42 U.S.C. 401 et seq., 1381 et seq.);*

20 *(2) with respect to each such disregard—*

21 *(A) specifies the most recent statutory or*
 22 *regulatory modification of the disregard; and*

23 *(B) recommends whether further statutory*
 24 *or regulatory modification of the disregard*
 25 *would be appropriate; and*

1 (3) *with respect to the disregard described in sec-*
2 *tion 1612(b)(7) of the Social Security Act (42 U.S.C.*
3 *1382a(b)(7)) (relating to grants, scholarships, or fel-*
4 *lowships received for use in paying the cost of tuition*
5 *and fees at any educational (including technical or*
6 *vocational education) institution)—*

7 (A) *identifies the number of individuals re-*
8 *ceiving benefits under title XVI of such Act (42*
9 *U.S.C. 1381 et seq.) who have attained age 22*
10 *and have not had any portion of any grant,*
11 *scholarship, or fellowship received for use in pay-*
12 *ing the cost of tuition and fees at any edu-*
13 *cational (including technical or vocational edu-*
14 *cation) institution excluded from their income in*
15 *accordance with that section;*

16 (B) *recommends whether the age at which*
17 *such grants, scholarships, or fellowships are ex-*
18 *cluded from income for purposes of determining*
19 *eligibility under title XVI of the Social Security*
20 *Act should be increased to age 25; and*

21 (C) *recommends whether such disregard*
22 *should be expanded to include any such grant,*
23 *scholarship, or fellowship received for use in pay-*
24 *ing the cost of room and board at any such insti-*
25 *tution.*

1 ***TITLE IV—MISCELLANEOUS AND***
 2 ***TECHNICAL AMENDMENTS***

3 ***SEC. 401. TECHNICAL AMENDMENTS RELATING TO DRUG***
 4 ***ADDICTS AND ALCOHOLICS.***

5 *(a) CLARIFICATION RELATING TO THE EFFECTIVE*
 6 *DATE OF THE DENIAL OF SOCIAL SECURITY DISABILITY*
 7 *BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.—Section*
 8 *105(a)(5) of the Contract with America Advancement Act*
 9 *of 1996 (Public Law 104–121; 110 Stat. 853) is amended—*

10 *(1) in subparagraph (A), by striking “by the*
 11 *Commissioner of Social Security” and “by the Com-*
 12 *missioner”; and*

13 *(2) by adding at the end the following:*

14 *“(D) For purposes of this paragraph, an in-*
 15 *dividual’s claim, with respect to benefits under*
 16 *title II of the Social Security Act based on dis-*
 17 *ability, which has been denied in whole before*
 18 *the date of enactment of this Act, may not be*
 19 *considered to be finally adjudicated before such*
 20 *date if, on or after such date—*

21 *“(i) there is pending a request for ei-*
 22 *ther administrative or judicial review with*
 23 *respect to such claim, or*

24 *“(ii) there is pending, with respect to*
 25 *such claim, a readjudication by the Com-*

1 *missioner of Social Security pursuant to re-*
2 *lief in a class action or implementation by*
3 *the Commissioner of a court remand order.*

4 *“(E) Notwithstanding the provisions of this*
5 *paragraph, with respect to any individual for*
6 *whom the Commissioner of Social Security does*
7 *not perform the entitlement redetermination be-*
8 *fore the date prescribed in subparagraph (C), the*
9 *Commissioner shall perform such entitlement re-*
10 *determination in lieu of a continuing disability*
11 *review whenever the Commissioner determines*
12 *that the individual’s entitlement is subject to re-*
13 *determination based on the preceding provisions*
14 *of this paragraph, and the provisions of section*
15 *223(f) of the Social Security Act shall not apply*
16 *to such redetermination.”.*

17 *(b) CORRECTION TO EFFECTIVE DATE OF PROVISIONS*
18 *CONCERNING REPRESENTATIVE PAYEES AND TREATMENT*
19 *REFERRALS OF SOCIAL SECURITY BENEFICIARIES WHO*
20 *ARE DRUG ADDICTS AND ALCOHOLICS.—Section*
21 *105(a)(5)(B) of the Contract with America Advancement*
22 *Act of 1996 (42 U.S.C. 405 note) is amended to read as*
23 *follows:*

1 “(B) *The amendments made by paragraphs*
 2 *(2) and (3) shall take effect on July 1, 1996,*
 3 *with respect to any individual—*

4 “(i) *whose claim for benefits is finally*
 5 *adjudicated on or after the date of enact-*
 6 *ment of this Act; or*

7 “(ii) *whose entitlement to benefits is*
 8 *based on an entitlement redetermination*
 9 *made pursuant to subparagraph (C).”.*

10 (c) *EFFECTIVE DATES.—The amendments made by*
 11 *this section shall take effect as if included in the enactment*
 12 *of section 105 of the Contract with America Advancement*
 13 *Act of 1996 (Public Law 104–121; 110 Stat. 852 et seq.).*

14 **SEC. 402. TREATMENT OF PRISONERS.**

15 (a) *IMPLEMENTATION OF PROHIBITION AGAINST PAY-*
 16 *MENT OF TITLE II BENEFITS TO PRISONERS.—*

17 (1) *IN GENERAL.—Section 202(x)(3) of the So-*
 18 *cial Security Act (42 U.S.C. 402(x)(3)) is amended—*

19 (A) *by inserting “(A)” after “(3)”;* and

20 (B) *by adding at the end the following:*

21 “(B)(i) *The Commissioner shall enter into an agree-*
 22 *ment under this subparagraph with any interested State*
 23 *or local institution comprising a jail, prison, penal institu-*
 24 *tion, or correctional facility, or comprising any other insti-*

1 *tution a purpose of which is to confine individuals as de-*
2 *scribed in paragraph (1)(A)(ii). Under such agreement—*

3 *“(I) the institution shall provide to the Commis-*
4 *sioner, on a monthly basis and in a manner specified*
5 *by the Commissioner, the names, Social Security ac-*
6 *count numbers, dates of birth, confinement commence-*
7 *ment dates, and, to the extent available to the institu-*
8 *tion, such other identifying information concerning*
9 *the individuals confined in the institution as the*
10 *Commissioner may require for the purpose of car-*
11 *rying out paragraph (1); and*

12 *“(II) the Commissioner shall pay to the institu-*
13 *tion, with respect to information described in sub-*
14 *clause (I) concerning each individual who is confined*
15 *therein as described in paragraph (1)(A), who receives*
16 *a benefit under this title for the month preceding the*
17 *first month of such confinement, and whose benefit*
18 *under this title is determined by the Commissioner to*
19 *be not payable by reason of confinement based on the*
20 *information provided by the institution, \$400 (subject*
21 *to reduction under clause (ii)) if the institution fur-*
22 *nishes the information to the Commissioner within 30*
23 *days after the date such individual’s confinement in*
24 *such institution begins, or \$200 (subject to reduction*
25 *under clause (ii)) if the institution furnishes the in-*

1 *formation after 30 days after such date but within 90*
 2 *days after such date.*

3 *“(ii) The dollar amounts specified in clause (i)(II)*
 4 *shall be reduced by 50 percent if the Commissioner is also*
 5 *required to make a payment to the institution with respect*
 6 *to the same individual under an agreement entered into*
 7 *under section 1611(e)(1)(I).*

8 *“(iii) There is authorized to be transferred from the*
 9 *Federal Old-Age and Survivors Insurance Trust Fund and*
 10 *the Federal Disability Insurance Trust Fund, as appro-*
 11 *priate, such sums as may be necessary to enable the Com-*
 12 *missioner to make payments to institutions required by*
 13 *clause (i)(II).*

14 *“(iv) The Commissioner is authorized to provide, on*
 15 *a reimbursable basis, information obtained pursuant to*
 16 *agreements entered into under clause (i) to any agency ad-*
 17 *ministering a Federal or federally assisted cash, food, or*
 18 *medical assistance program for eligibility purposes.”.*

19 *(2) CONFORMING AMENDMENT TO THE PRIVACY*
 20 *ACT.—Section 552a(a)(8)(B) of title 5, United States*
 21 *Code, is amended—*

22 *(A) in clause (vi), by striking “or” at the*
 23 *end;*

24 *(B) in clause (vii), by adding “or” at the*
 25 *end; and*

1 (C) by adding at the end the following:

2 “(viii) matches performed pursuant to
3 section 202(x)(3)(B) or 1611(e)(1)(I) of the
4 Social Security Act (42 U.S.C.
5 402(x)(3)(B), 1382(e)(1)(I));”.

6 (3) *EFFECTIVE DATE.*—The amendments made
7 by this subsection shall apply to individuals whose
8 period of confinement in an institution commences on
9 or after the first day of the fourth month beginning
10 after the month in which this Act is enacted.

11 (b) *ELIMINATION OF TITLE II REQUIREMENT THAT*
12 *CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-*
13 *PRISONMENT FOR MORE THAN 1 YEAR.*—

14 (1) *IN GENERAL.*—Section 202(x)(1)(A) of the
15 Social Security Act (42 U.S.C. 402(x)(1)(A)) is
16 amended—

17 (A) in the matter preceding clause (i), by
18 striking “during” and inserting “throughout”;

19 (B) in clause (i), by striking “an offense
20 punishable by imprisonment for more than 1
21 year (regardless of the actual sentence imposed)”
22 and inserting “a criminal offense”; and

23 (C) in clause (ii)(I), by striking “an offense
24 punishable by imprisonment for more than 1
25 year” and inserting “a criminal offense”.

1 (2) *EFFECTIVE DATE.*—*The amendments made*
 2 *by this subsection shall apply to individuals whose*
 3 *period of confinement in an institution commences on*
 4 *or after the first day of the fourth month beginning*
 5 *after the month in which this Act is enacted.*

6 (c) *CONFORMING TITLE XVI AMENDMENTS.*—

7 (1) *FIFTY PERCENT REDUCTION IN TITLE XVI*
 8 *PAYMENT IN CASE INVOLVING COMPARABLE TITLE II*
 9 *PAYMENT.*—*Section 1611(e)(1)(I) of the Social Secu-*
 10 *rity Act (42 U.S.C. 1382(e)(1)(I)) is amended—*

11 (A) *in clause (i)(II), by inserting “(subject*
 12 *to reduction under clause (ii))” after “\$400” and*
 13 *after “\$200”;*

14 (B) *by redesignating clauses (ii) and (iii)*
 15 *as clauses (iii) and (iv), respectively; and*

16 (C) *by inserting after clause (i) the fol-*
 17 *lowing:*

18 “(ii) *The dollar amounts specified in clause (i)(II)*
 19 *shall be reduced by 50 percent if the Commissioner is also*
 20 *required to make a payment to the institution with respect*
 21 *to the same individual under an agreement entered into*
 22 *under section 202(x)(3)(B).”.*

23 (2) *EXPANSION OF CATEGORIES OF INSTITU-*
 24 *TIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH*
 25 *THE COMMISSIONER.*—*Section 1611(e)(1)(I)(i) of the*

1 *Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)) is*
 2 *amended in the matter preceding subclause (I) by*
 3 *striking “institution” and all that follows through*
 4 *“section 202(x)(1)(A),” and inserting “institution*
 5 *comprising a jail, prison, penal institution, or correc-*
 6 *tional facility, or with any other interested State or*
 7 *local institution a purpose of which is to confine in-*
 8 *dividuals as described in section 202(x)(1)(A)(ii),”.*

9 (3) *ELIMINATION OF OVERLY BROAD EXEMP-*
 10 *TION.—Section 1611(e)(1)(I)(iii) of such Act (42*
 11 *U.S.C. 1382(e)(1)(I)(iii)) (as redesignated by para-*
 12 *graph (1)(B), is amended by striking “(I) The provi-*
 13 *sions” and all that follows through “(II)”.*

14 (4) *EFFECTIVE DATE.—The amendments made*
 15 *by this subsection shall take effect as if included in*
 16 *the enactment of section 203(a) of the Personal Re-*
 17 *sponsibility and Work Opportunity Reconciliation*
 18 *Act of 1996 (Public Law 104–193; 110 Stat. 2186).*
 19 *The reference to section 202(x)(1)(A)(ii) of the Social*
 20 *Security Act in section 1611(e)(1)(I)(i) of the Social*
 21 *Security Act as amended by paragraph (2) shall be*
 22 *deemed a reference to such section 202(x)(1)(A)(ii) as*
 23 *amended by subsection (b)(1)(C).*

1 (d) *CONTINUED DENIAL OF BENEFITS TO SEX OF-*
 2 *FENDERS REMAINING CONFINED TO PUBLIC INSTITUTIONS*
 3 *UPON COMPLETION OF PRISON TERM.—*

4 (1) *IN GENERAL.—Section 202(x)(1)(A) of the*
 5 *Social Security Act (42 U.S.C. 402(x)(1)(A)) is*
 6 *amended—*

7 (A) *in clause (i), by striking “or” at the*
 8 *end;*

9 (B) *in clause (ii)(IV), by striking the period*
 10 *and inserting “, or”; and*

11 (C) *by adding at the end the following:*

12 “(iii) *immediately upon completion of confine-*
 13 *ment as described in clause (i) pursuant to conviction*
 14 *of a criminal offense an element of which is sexual ac-*
 15 *tivity, is confined by court order in an institution at*
 16 *public expense pursuant to a finding that the indi-*
 17 *vidual is a sexually dangerous person or a sexual*
 18 *predator or a similar finding.”.*

19 (2) *CONFORMING AMENDMENT.—Section*
 20 *202(x)(1)(B)(ii) of the Social Security Act (42 U.S.C.*
 21 *402(x)(1)(B)(ii)) is amended by striking “clause (ii)”*
 22 *and inserting “clauses (ii) and (iii)”.*

23 (3) *EFFECTIVE DATE.—The amendments made*
 24 *by this subsection shall apply with respect to benefits*

1 *for months ending after the date of enactment of this*
2 *Act.*

3 **SEC. 403. REVOCATION BY MEMBERS OF THE CLERGY OF**
4 **EXEMPTION FROM SOCIAL SECURITY COV-**
5 **ERAGE.**

6 (a) *IN GENERAL.*—*Notwithstanding section 1402(e)(4)*
7 *of the Internal Revenue Code of 1986, any exemption which*
8 *has been received under section 1402(e)(1) of such Code by*
9 *a duly ordained, commissioned, or licensed minister of a*
10 *church, a member of a religious order, or a Christian*
11 *Science practitioner, and which is effective for the taxable*
12 *year in which this Act is enacted, may be revoked by filing*
13 *an application therefore (in such form and manner, and*
14 *with such official, as may be prescribed by the Commis-*
15 *sioner of the Internal Revenue Service), if such application*
16 *is filed no later than the due date of the Federal income*
17 *tax return (including any extension thereof) for the appli-*
18 *cant's second taxable year beginning after December 31,*
19 *1999. Any such revocation shall be effective (for purposes*
20 *of chapter 2 of the Internal Revenue Code of 1986 and title*
21 *II of the Social Security Act), as specified in the applica-*
22 *tion, either with respect to the applicant's first taxable year*
23 *beginning after December 31, 1999, or with respect to the*
24 *applicant's second taxable year beginning after such date,*
25 *and for all succeeding taxable years; and the applicant for*

1 any such revocation may not thereafter again file applica-
2 tion for an exemption under such section 1402(e)(1). If the
3 application is filed after the due date of the applicant's Fed-
4 eral income tax return for a taxable year and is effective
5 with respect to that taxable year, it shall include or be ac-
6 companied by payment in full of an amount equal to the
7 total of the taxes that would have been imposed by section
8 1401 of the Internal Revenue Code of 1986 with respect to
9 all of the applicant's income derived in that taxable year
10 which would have constituted net earnings from self-em-
11 ployment for purposes of chapter 2 of such Code (notwith-
12 standing paragraph (4) or (5) of section 1402(c) of such
13 Code) except for the exemption under section 1402(e)(1) of
14 such Code.

15 (b) *EFFECTIVE DATE.*—Subsection (a) shall apply
16 with respect to service performed (to the extent specified in
17 such subsection) in taxable years beginning after December
18 31, 1999, and with respect to monthly insurance benefits
19 payable under title II of the Social Security Act on the basis
20 of the wages and self-employment income of any individual
21 for months in or after the calendar year in which such indi-
22 vidual's application for revocation (as described in such
23 subsection) is effective (and lump-sum death payments pay-
24 able under such title on the basis of such wages and self-

1 *employment income in the case of deaths occurring in or*
 2 *after such calendar year).*

3 **SEC. 404. ADDITIONAL TECHNICAL AMENDMENT RELATING**
 4 **TO COOPERATIVE RESEARCH OR DEM-**
 5 **ONSTRATION PROJECTS UNDER TITLES II**
 6 **AND XVI.**

7 *(a) IN GENERAL.—Section 1110(a)(3) of the Social Se-*
 8 *curity Act (42 U.S.C. 1310(a)(3)) is amended by striking*
 9 *“title XVI” and inserting “title II or XVI”.*

10 *(b) EFFECTIVE DATE.—The amendment made by sub-*
 11 *section (a) shall take effect as if included in the enactment*
 12 *of the Social Security Independence and Program Improve-*
 13 *ments Act of 1994 (Public Law 103–296; 108 Stat. 1464).*

14 **SEC. 405. AUTHORIZATION FOR STATE TO PERMIT ANNUAL**
 15 **WAGE REPORTS.**

16 *(a) IN GENERAL.—Section 1137(a)(3) of the Social Se-*
 17 *curity Act (42 U.S.C. 1320b–7(a)(3)) is amended by insert-*
 18 *ing before the semicolon the following: “, and except that*
 19 *in the case of wage reports with respect to domestic service*
 20 *employment, a State may permit employers (as so defined)*
 21 *that make returns with respect to such employment on a*
 22 *calendar year basis pursuant to section 3510 of the Internal*
 23 *Revenue Code of 1986 to make such reports on an annual*
 24 *basis”.*

1 **(b) TECHNICAL AMENDMENTS.**—*Section 1137(a)(3) of*
2 *the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is*
3 *amended—*

4 (1) *by striking “(as defined in section*
5 *453A(a)(2)(B)(iii))”; and*

6 (2) *by inserting “(as defined in section*
7 *453A(a)(2)(B))” after “employers” .*

8 **(c) EFFECTIVE DATE.**—*The amendments made by this*
9 *section shall apply to wage reports required to be submitted*
10 *on and after the date of enactment of this Act.*

Attest:

Secretary.

106TH CONGRESS
1ST SESSION

H. R. 1180

AMENDMENT

HR 1180 EAS—2

HR 1180 EAS—3

HR 1180 EAS—4

HR 1180 EAS—5

HR 1180 EAS—6

HR 1180 EAS—7

HR 1180 EAS—8

HR 1180 EAS—9

HR 1180 EAS—10